FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,053 | Wednesday April 20 1983 | D 8523 B

Mexico reaps the harvest of rural stagnation, Page 4

Turks come clean with secret savings of $470m

BY DAVID TONGE AND TERRY POVEY IN ISTANBUL

WHITE and pure from a weekend laundering by the Turkish Government, deposits worth more than $470m were beginning to be claimed by their newly honest owners yesterday.

Until last Friday night, this money – the fruits of a decade of profiteering on the back of Turkey's inflation – had been as black as the tattered notes in battered suitcases brought into the state-owned Agricultural Bank all last week.

But now the depositors, who had scarcely dared to speak their names, have been amnestied. A once-and-for-all decree by the country's military-backed Government has wiped the slate for all those who had left their illicit gains with the Agricultural Bank over the weekend.

For a mere 1 per cent charge, their deposits are now their own, and yesterday were being claimed as such. The tax authorities asked no questions about the false invoicing, smuggling or black marketeering often allegedly involved.

The amount amnestied is estimated at around Turkish lira 100bn or a staggering one quarter of the total money and notes in circulation in Turkey.

Mr Erol Sabanci, managing director of Akbank, the country's largest totally private bank, said that his bank alone had lost TL16bn in seemingly normal deposits last week.

Adding to the confusion was the way the Agricultural Bank insisted on cash and then would not re-lend in the interbank market.

The run on the banks caused many to have to turn massively to the country's central bank, in turn threatening the credit ceilings Turkey has agreed with the International Monetary Fund.

"It was a good idea, but crazily administered," one businessman said of the authorities' attempts to channel black money to productive uses.

Early yesterday, it seemed briefly as if the authorities' cure might be more dangerous than the disease. But by last night calm was returning. Mr Sabanci said his major branches had already received back TL11.5bn of deposits.

The main question mark now hangs over some of the smaller banks which have seemed extremely vulnerable after a series of financial failures in Turkey.

The Turks' amnesty comes as the Government is negotiating final details of a bank reform with the main local and foreign banks. The last attempt to bring black money in from the cold was when the authorities allowed banks to issue bearer certificates of deposit. A sizeable share of the TL240bn on the market is believed by bankers to come from the black market.

Mr Ali Kocman, president of Tusiad, the Turkish employers, organisation, said yesterday that he hoped the amnesty funds would now be available for industry.

NEWS SUMMARY

GENERAL

Spain in UK move to sue financier

The Spanish Government is ready to press charges in British courts against former Rumasa chairman José Maria Ruiz-Mateos, whose group's debts could amount to Pta 330bn ($2.2bn).

Economy and Finance Minister Miguel Boyer disclosed that yesterday. Legal action would be on allegations of irregularities and fraud.

Señor Ruiz-Mateos is believed to be in Britain, where his appropriated group's assets include a large chain of liquor stores. Page 3

Cubans expelled

United States has expelled two members of Cuba's United Nations delegation in New York on spying charges.

Beirut toll 47

Total killed or presumed dead in the U.S. embassy explosion in Beirut was confirmed at 47, including 16 Americans. But more casualties, it is expected, will be found. Page 4

Walesa refuses

Former Solidarity leader Lech Walesa reported to Polish police in Gdansk for a second day of interrogation, but refused to answer questions. Anniversary controversy, Page 2

Wilson's offer

Former British Premier Sir Harold Wilson, visiting Moscow, attacked Trotskyist militants in Britain's Labour Party and told Soviet journalists: "You can have them back."

Basque killings

A car bomb killed a man and a woman in the Basque town Mondragón, and two men were seriously injured.

McCartney order

Ex-Beatle Paul McCartney, 40, was ordered by a West Berlin judge to pay DM 705 ($290) a month to Bettina Hübers, 20, who claims she is his daughter. The order stands until a court decision is made on paternity, which McCartney denies.

Germans try Dane

Danish journalist Flemming Soerensen, 52, former chairman of the Foreign Press Association in Bonn, went on trial in Düsseldorf charged with spying for East Germany for 10 years.

$119m damages

Parents of a two-year-old girl who suffered brain damage during a caesarean birth accepted an out-of-court settlement in Houston, Texas, that could reach $119m, with $4.2m within 30 days, and $7,000 a month, with payments rising 6 per cent a year. Doctors say she could live 77 years.

Fighting stepped up

China reported increased fighting on its Vietnam border, and warned that it would again retaliate. More than 3,000 civilians have been evacuated. Page 4

Briefly . . .

Richard Lambert, FT assistant editor based in New York, won the *1982 Wincott Award* for economic and financial journalism. Page 7

General Rafael Eitan, who led Israel's invasion of Lebanon, retired as chief of staff.

Soviet Union expelled British tourist Edward Chick, 27, for spreading "hostile" literature.

Sir Richard Attenborough has cancelled his trip to South Africa, to promote Gandhi, the film he directed.

BUSINESS

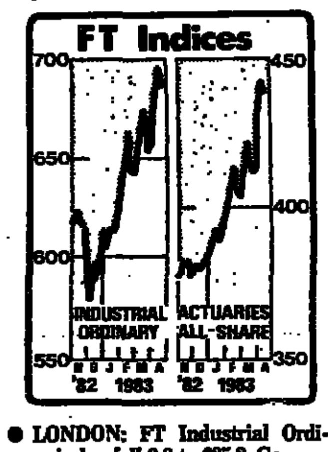
Honda reports record profits

● **HONDA MOTORS**, world's largest motorcycle manufacturer and Japan's fifth largest car maker, reported 29.1 per cent rise in unconsolidated net income to a record Y31.32bn ($131.5m) in year to February 28. Page 14; Lex, Page 12

● **STERLING** lost ground, falling 95 points to $1.552, and to DM 3.81 (DM 3.8325), FFr 11.41 (FFr 11.51), SwFr 3.2075 (SwFr 3.215) and Y368.5 (Y371.75). Its Bank of England trade-weighted index, calculated before the close, was unchanged at 83.8. In New York, sterling closed at $1.5507. Page 32

● **DOLLAR** slipped to DM 2.4525 (DM 2.4595), FFr 7.3525 (FFr 7.3725) and Y237.3 (Y237.85), but improved to SwFr 2.0625 (SwFr 2.058). Its trade weighting was logged at (122.9 (122.8). In New York, the dollar closed at DM 2.4555; FFr 7.3525; SwFr 2.0645; and Y237.4. Page 32

● **GOLD** fell $2 in London to $439.5, by $3 in Frankfurt to close at $440.5, and by $2 in Zurich, to $440.5. In New York, the Comex April settlement was $433.2 ($445). Page 29



● **LONDON**: FT Industrial Ordinary index fell 9.8 to 685.2. Government Securities fell by an average of 0.62 per cent. Page 25. FT Share Information service, Pages 30, 31

● **WALL STREET**: Dow Jones index closed 8.70 down at 1174.54. Page 25. Full share listings, Pages 26–28

● **TOKYO**: Nikkei Dow index fell 40.67 to 8541.86. Stock Exchange index eased 1.9 to 619.91. Page 25. Leading prices, other exchanges, Page 28

● **TAIWAN** Stock Exchange, boosted by buying orders from Japan and Hong Kong, had a record day's business of T$3.41bn ($85m) and its index moved up 6.26 to a 694.62 peak. Page 25

● **HONG KONG** banks increased prime lending rates from 10.5 to 11.5 per cent to help the currency and the local stock market but the HK dollar fell 7c to 6.86 to the U.S. dollar. Page 4. Market report, Page 25; Currencies, Page 32; Disclosure rules tightened, Page 14

● **AUSTRALIA'S** Foreign Investment Review Board blocked Unilever Australia's takeover of the edible oils and foods division of Elders IXL. Page 13

● **JAMAICA'S** civil servants struck against a pay offer they said had been cut after IMF pressure.

● **ALLIED CORPORATION**, the U.S. group that last year acquired Bendix and a stake in Martin Marietta after an epic takeover battle, has reported net income of $79m for the first quarter of 1983. Long-term debt had been reduced by $807m to $1.5bn since the acquisition.

● **HONEYWELL**, U.S. computer group, reported first-quarter earnings 150 per cent down at $22.2m. Control Data's first-quarter earnings slipped 12.5 per cent to $33.5m. Page 13

● **CITICORP**, second biggest U.S. bank holding company, increased first-quarter net income 18 per cent at $228m, despite increasing loan loss provision more than 50 per cent to $136m. Page 13

Split over budget strategy emerges in Reagan team

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

A major split appeared to be developing in the Reagan Administration over budget strategy yesterday, as hard-liners urged the President to maintain a tough stand against Congress and more moderate voices pressed him to compromise.

The differences erupted publicly with the disclosure of the contents of a memorandum to President Ronald Reagan from Mr David Stockman, the Budget Director, warning that a budget stalemate in Congress could leave federal deficits "stuck at $200bn per year as far as the eye can see" and abort the hesitant economic recovery that is slowly gathering pace.

Under Mr Reagan's recently revised budget, deficits would decline from $190bn next year to $102bn in 1988.

Mr Stockman's document warned that continuing budgetary stalemate could lead to a breakdown in the budget process and mean that the "Reagan Administration fiscal revolution and permanent economic recovery will be lost." He urged Mr Reagan, who has so far shown little inclination to compromise over his budget proposals, to make a major effort to reach an accommodation with Congress.

The group of officials favouring compromise is believed to include the pragmatic Mr James Baker, the White House Chief-of-Staff. The hard-liners are led by Mr Caspar Weinberger, the Defence Secretary, and apparently include Mr William Clark, the National Security Advisor.

At a cabinet meeting on Monday Mr Weinberger reportedly argued that it was not in Mr Reagan's interest to have a budget resolution passed by Congress setting overall spending ceilings.

Under a compromise with Congress, the hard-liners argue, Mr Reagan will inevitably have to accept tax increases in future years, fewer domestic spending cuts than he wants and a much smaller increase in defence spending.

The Stockman memorandum, leaked within hours of its delivery to the White House, became public knowledge as the Commerce Department announced that personal income had risen by a "very decent" 0.8 per cent in March, as wages and salaries resumed the growth interrupted in February.

Following encouraging March figures for industrial production up by an unexpectedly high 1.1 per cent and housing starts down from February but 75 per cent higher than in March 1982 Mr Robert Ortner, the Department's chief economist, said "the recovery is very much on track."

Doubts about the strength and sustainability of recovery have, nevertheless, recently been reinforced by an increase of only 1.4 per cent in the composite index of leading indicators in February down from a near-record 3.5 per cent increase in January.

Most economists, both in and outside the Administration, now expect only a modest recovery by historical standards.

The hard-liners say, it would be much better to allow the overall budget to fail, forcing Congress to return to its past practice of adopting individual appropriations bills, which the President could then sign or veto as he thought fit as the year progressed. Some Washington analysts believe this is indeed Mr Reagan's secret *strategy*.

The current stalemate has emerged largely from the Senate budget committee's inability to agree on major aspects of the fiscal 1984 budget, including whether to seek tax increases in the coming years. The committee has agreed, however, to cut Mr Reagan's request for additional military spending from 10 per cent to 5 per cent and add more than $11bn to his plan for domestic spending.

The Democratic-dominated House of Representatives has approved a budget resolution which defies Mr Reagan on all key points by proposing tax increases of $30bn, big rises in domestic spending and an increase in the defence

Continued on Page 12

Thatcher and industry bullish on UK upturn

BY PETER RIDDELL AND JOHN ELLIOTT IN LONDON

MRS MARGARET THATCHER last night took an optimistic view of Britain's short-term economic prospects and on the chances of remedying longer-term weaknesses of the Western economies.

The UK Prime Minister told the annual dinner of the Confederation of British Industry, the employers' organistion, that "there are signs that we may be entering the period of more general and more sustained recovery."

She continued to tease about the date of the British general election. Some people were talking about the end of this Parliament, she said, but she thought that was a "little premature."

Mrs Thatcher's speech came as speculation intensified about the chances of a general election in June, possibly on the 23rd. The election must be held by May 1984 at the latest.

Earlier yesterday, Mrs Thatcher taunted Labour leaders in the House of Commons that they were scared of an early election. She said that if she had wanted "to cut and run, I would have gone after the Falklands."

Mr Edward du Cann, the chairman of the Conservative backbench 1922 Committee, said on television last night that Mrs Thatcher's remarks pointed to a June election. This interpretation is shared by a number of MPs of all parties.

Talking last night about the prospects for Britain's short-term recovery, Mrs Thatcher referred to "the 3 per cent rise in industrial output above its level in spring 1981; the substantial and growing number of CBI members expecting output to rise; the 33 per cent rise in total housing starts in the three months to February compared with the previous three months; the all-time record of sales of new cars in the first quarter; and the 4½ per cent increase in retail sales compared with a year ago."

Mrs Thatcher said that there were more hopeful signs but it was no good just waiting for the upturn to come. She argued that Britain's disappointing economic performance had had little to do with lack of boosts from the Government, but more with the fact that in the late 1970s costs and pay had soared while manufacturing productivity had only risen slowly.

Mrs Thatcher's optimism was supported by Sir Campbell Fraser, CBI president, who said that businessmen were "sensing a change for the better." He forecast that the CBI's key quarterly industrial trends survey, to be published next week, would show "a further improvement on that which has already been shown in the last two surveys."

The speeches at the dinner illustrated the close relationship that has been built between the Government and the CBI in the run-up to the general election. Sir Campbell went out of his way to present a buoyant industrial report.

"There are positive signs that the economy is on the mend," he said. "There have been false dawns in the past, but there is no doubt that the serious people who make up this confederation are sensing a change for the better."

Growth in lending by Western banks falls sharply

By Alan Friedman, Banking Correspondent, in London

THE GROWTH of international lending by Western banks slowed down in the second half of 1982, falling 55 per cent compared with the same period in 1981, according to the latest figures from the Basle-based Bank for International Settlements (BIS).

The BIS statistics also highlight the sharp contraction of the interbank market – the all-important bank-to-bank deposit market which has been at the heart of the liquidity problems of Brazil and other major debtor countries.

Net international bank lending in the fourth quarter of 1982 grew $20bn, compared with $55bn in the last quarter of 1981. For the latter six months of last year new loans totalled $45bn, compared with $100bn for the same period in 1981.

On this basis, the BIS estimates total international lending last year grew by $95bn, sharply lower than the $165bn recorded in 1981.

The BIS figures also confirm the contraction of the interbank market, which is crucial to the functioning of the global banking system.

The BIS says there was a "much smaller volume of new interbank business within the reporting area, probably reflecting in part greater caution on the part of banks with respect to their operations in the international banking market."

Interbank business in the fourth quarter of 1982 grew $20bn, which is much lower than the $49bn recorded in the third quarter of last year and represents a fall of more than two-thirds on the $63.5bn recorded for the final quarter of 1981.

The BIS blamed the slowdown in the underlying growth of interbank activity on "the deterioration of the general market climate as a result of the international payments difficulties of a number of major international debtor countries."

Using data from Western banks, the BIS says total international loans at the end of last year amounted to $1,687bn. This figure includes a $33.5bn increase for the fourth quarter of 1982, which itself was less than half as large as in the preceding quarter and only one-third the size of the increase ($99.3bn) registered in the final quarter of 1981.

Opec countries' withdrawals amounted to $7.9bn at the end of the fourth quarter.

International capital markets, Page 24

Pakistan secures $1.4bn loan pledges but seeks further aid

BY PAUL BETTS IN PARIS

PAKISTAN HAS secured larger than expected new loan pledges of $1.4bn this year from the industrialised countries in the Pakistan aid consortium. But Mr Mahbub ul Haq, Planning and Development Minister, said Pakistan would ask for substantially more public and private aid later this year, to finance major infrastructure and energy projects worth over $10bn.

He also warned that Pakistan, with $11bn debt, might seek a new debt relief package this year unless swift action was taken to halt the decline in net aid flows to the country.

He acknowledged, however, that the additional aid pledges Pakistan had received after a two-day meeting chaired by the World Bank in Paris would help to reverse the declining trend in net debt flows. Pakistan had originally asked for $1.35bn in aid from the consortium for year 1983-84.

Moreover, the commitments it secured yesterday came although five countries (France, Germany, Italy, Japan, the Netherlands) were unable to indicate their pledge because of domestic budgetary procedures.

Mr Mahbub said Pakistan had received "informal" indications that these five countries also intended to increase their assistance to Pakistan this year. Pakistan is thus expecting total aid commitments from the consortium of between $1.45bn – $1.5bn for the 1982-83 year.

A special consortium meeting is scheduled for Paris on December 7–8 to consider financial aid for some of the projects included in Pakistan's new development plan to be launched in July. This will be followed by a December 9 meeting with leading international commercial banks to explore the possibility of associating them in the co-financing of some of these projects.

Mr Mahbub said the main projects include:

● The $3bn Kalabagh dam on the Indus River;

● A 20-year water drainage project costing $2bn–$3bn in Sind province;

● Some $10bn over the next five years to finance an integrated national energy plan;

● The development of Baluchistan.

He suggested that his country's recent economic performance would encourage commercial banks to enter into co-financing ventures with government and public institutions.

He forecast a GNP growth rate of 6.7 per cent this year, and inflation at 5 per cent compared with 15 per cent five years ago. He added that the food deficit had been transformed this year into a surplus, with Pakistan exporting wheat and that under $1bn of its debt was classified as non-official.

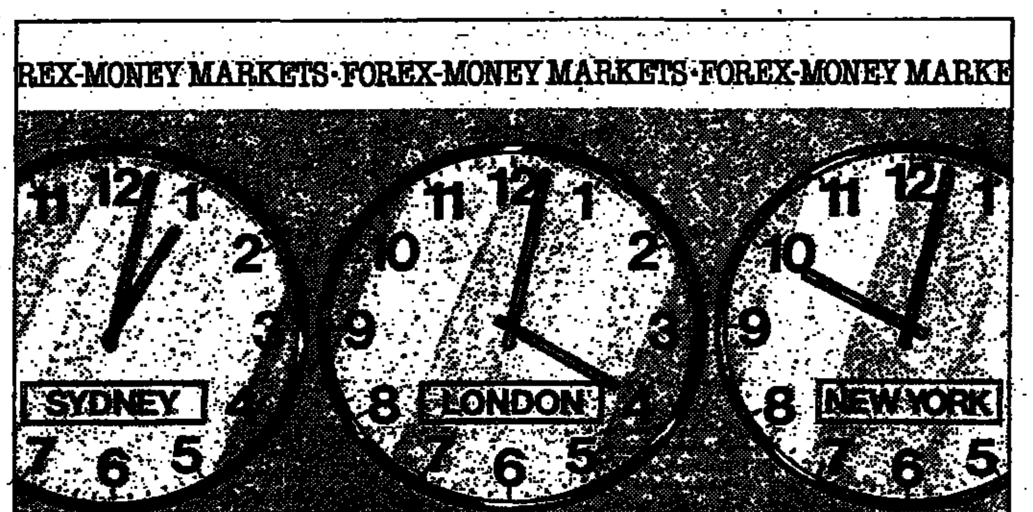
Debt servicing costs this year would total $986m, while the current-account deficit was expected to amount to $1.3bn with a similar current-account deficit anticipated next year.

The country's trade balance would show a deficit of about $3.3bn this year, but after considering $2bn in invisibles and foreign remittances, the current account deficit amounted to $1.3bn, he said.

Mr Mahbub welcomed the consortium's decision to grant a greater portion of aid in more flexible non-project financing. He said $381m would be provided in more flexible loans this year, compared with $201m last year.

Nigerian loan package under threat, Page 12

FOREX-MONEY MARKETS·FOREX-MONEY MARKETS·FOREX-MONEY MARKE



Another day, another dollar

Foreign exchange markets move fast – very fast. The difference between profit and loss is often counted in minutes.

Which is precisely why you need a bank that thinks and moves quickly – whatever the currency, whatever the time of day or night, wherever the location.

That bank is Westpac Banking Corporation.

With a round-the-clock dealing service from the world's foremost financial centres including New York, Singapore, London and Hong Kong, Westpac keeps pace with the markets.

We are already widely respected as one of the world's major dealers in Pacific Basin currencies – but a considerable portion of our foreign exchange business is in continental currencies.

Not only are we fast, we're competitive, experienced and reliable. Reliable enough to be there when you need us, experienced enough to handle substantial deals, whatever your requirements. And competitive enough to make it worth your while calling us.

So why don't you do exactly that – now?

Westpac Banking Corporation
First Bank in Australia
incorporated in Australia with limited liability

United Kingdom and European Headquarters: Walbrook House, 23 Walbrook, London, EC4N 8LD.

Telephone our London Dealing Room (01) 283 5321
Telex: 888361 · Reuter Monitor page code: WBCL
Reuters; direct dealing code: WBCL

Sydney	Wellington	Hong Kong	Singapore	New York	Chicago	San Francisco
Tel: 2314404	Tel: 724035	Tel: 213236	Tel: 2232147	Tel: 9499838	Tel: 6300350	Tel: 9864238
Telex: 68001	Telex: 30038	Telex: 74935	Telex: 26722	Telex: 425679	Telex: 210119	Telex: 470609

CONTENTS

هكذا من الأصل

/٢٩

EUROPEAN NEWS

Police inquiry used to harass Walesa

BY OUR WARSAW CORRESPONDENT

THE OUTLINE of official Polish policy towards Mr Lech Walesa and the underground Solidarity movement emerged yesterday as the union leader was called in for another session of questions in Gdansk.

It looks as if the authorities will not arrest him for the meeting he held 10 days ago with the union's underground co-ordinating commission, but will use the device of a financial investigation to harass him at least until the important Labour Day (May 1) celebrations.

An official commentary in the Government newspaper also shows that the authorities are trying to undermine the Solidarity leadership claiming that its call for demonstrations on May 1 are intended to cause disorders and the postponement of the Pope's visit in June.

Mr Jerzy Urban, the Government spokesman, said yesterday that Mr Walesa had been called in for questioning in connection with "Solidarity's finances and the disappearance of several million zlotys in Warsaw." He was also being questioned about tax evasion.

He added, however, that the security services had no evidence that Mr Walesa had met the Solidarity underground, suggesting that no arrest is envisaged on these grounds.

As for the nine-hour detention on Monday to prevent Mr Walesa from coming to Warsaw to lay a wreath at the ghetto monument, Mr Urban explained this had been done "in case Mr Walesa met underground leaders as he had said he might."

Controversy surrounds ghetto anniversary

BY CHRISTOPHER BOBINSKI IN WARSAW

THE PRAYERS for the dead rang out yesterday over the sunlit Warsaw Square, as some 1,000 Polish Jews and others from all over the world clustered at the foot of the monument to the wartime victims of the Jewish ghetto.

Forty years ago, a handful of fighters began their hopeless struggle to delay the final extinction of the area which the Germans had designated as the ghetto.

The fighting lasted until mid-May and the survivors were smuggled away by sympathisers on the other side of the encircling wall, leaving the Germans to raze the area—a fate which was to befall the rest of the city a year later.

Now, 40 years on, with Poland emerging from martial law and the political traumas of the past few years still unresolved, the traditional ceremonies have become tinged with more than their usual dose of controversy.

Supporters of the Solidarity movement, headed by the independent-minded Dr Mark Edelman, the only surviving leader of the ghetto fighting still living in Poland, have accused the authorities of using the occasion to bolster their position.

Issue sidestepped

Several unofficial wreath-laying ceremonies in the past few days have been attended by a heavy police presence and were capped when Mr Lech Walesa, the head of Solidarity, was detained for nine hours on Monday to prevent his coming to Warsaw to lay a wreath.

The visitors from the World Jewish Congress and elsewhere generally sidestep the issue, pointing out that they have come to honour their own dead and not become involved in Polish politics. And their deep-rooted suspicion of Polish intentions towards Jews in general covers both the Government and the opposition here.

Nevertheless, this year's ceremonies, like those in recent years, are helping to restore a modicum of relations between Poland and world Jewry, including Israel, despite some grumbling from Arab countries.

In 1968, a year after diplomatic relations with Israel were broken off as part of Soviet Middle East policy, anti-semitism was used in the fierce struggle for power inside the Communist establishment by the nationalist faction led by General Mieczyslaw Moczar. This led to the emigration of thousands of Polish Jews, many of them prominent in public life, and the whittling down of the ageing Polish Jewish community to little more than 5,000.

It is probably for this small Jewish community that the present ceremonies have the greatest importance. Restoration by the authorities of a 19th century Warsaw synagogue consecrated on Monday by Mr Yitzhak Frenkel, the Chief Rabbi of Tel Aviv, who wept as he remembered he had prayed there before the war—is a tangible achievement.

Links with Israel and Jews elsewhere in the world are also imortant for institutions like the Warsaw Jewish Historical Institute, which can continue research into the life of the Jews here before the war who made up an integral part of Polish society.

Common heritage

Yesterday's ceremonies also underlined the common heritage which has linked the two peoples for hundreds of years. Also, the Mass, celebrated by Cardinal Josef Glemp for the victims a week ago, marks the first time that the Roman Catholic Church, now bound by its ecumenical commitment, has become involved in the commemoration on such a scale.

This should all help to bolster the position of Jews in Poland.

The official commitment to the ceremonies also provide a chance that the temptation to employ anti-semitism for political ends will be resisted by the Government in the future.

Currents of anti-semitism run deep in Polish society. The police, even in the 1970s and later, have not hesitated to use the argument of origin against non-conforming intellectuals with a Jewish background. These attempts to present as alien people inconvenient to the authorities do evoke a response among some. However, these methods have been held in check recently.

The presence of some Poles of Jewish origin among supporters of the Government of Gen Wojciech Jaruzelski has led to anti-semitic muttering among his opponents in the establishment, suggesting that the ghost of anti-semitism is far from laid.

Oslo may abandon oil and gas limit

By Fay Gjester in Oslo

A NORWEGIAN Royal Commission report, for publication today, is expected to recomend discarding the theoretical 90m tons annual "ceiling" on oil and gas output.

The commission, headed by Mr Hermod Skanland, a Bank of Norway director, has been studying new criteria for planning oil activities in relation to the rest of the economy.

It is understood to regard the 90m ton ceiling — approved years ago by the Parliament—as a poor guideline for regulating the pace of offshore exploration and development. Norwegian continental shelf production has never exceeded 50m tons of oil equivalent annually.

Advance reports suggest that the Commission will propose channelling a sizeable part of Norway's oil earnings into a fund for capital investment abroad.

This would have a dual purpose. It would prevent politicians from spending too much oil money within Norway, pushing up costs and hitting other industries' ability to compete abroad. It would also act as a buffer in years when oil revenues declined, either because of falling output or lower prices.

● The Government has lowered primary reserve requirements for commercial banks in the southern part of the country to 4 per cent from 7 per cent, on the advice of the Bank of Norway.

The move, which is retroactive to April 1, does not herald a general easing of credit terms. It is a technical measure designed to offset the effects of large oil company tax payments, due in April, which lead to a seasonal reduction of liquidity in the banking system.

Primary reserve requirements for south Norwegian savings banks are being maintained at 7 per cent.

The commercial banks' preferential treatment reflects the fact that they kept lending within official limits during January and February. The savings banks exceeded these guidelines by NKr 1.5bn (£138m).

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

David Brown in Stockholm reports on the possible breakdown of a wage negotiating scheme which has ensured stability

Swedish bargaining system under strain as unions break ranks

SWEDEN'S largest trade union federation, Landsorganisation (LO), has won its latest battle but it may have lost the war. The battle was over this year's pay settlement. The war was to preserve, under mounting economic pressures, the union solidarity which has been a principal feature of the Swedish centralised pay negotiating system since World War Two.

This year, one of the largest member unions in the LO, the metalworkers, broke ranks and concluded a separate pay agreement. Some LO officials feel that the tradition of solidarity is endangered and that its survival may depend on whether the Swedish economy can return to some semblance of prosperity.

Under the normal system, as pay contracts expire, negotiators from the employers' association and the union federations go into an often protracted central bargaining session to produce a new agreement. Discussions are held separately for the public and private sectors.

The method, originating in the "basic agreement" of 1938 between the employers and unions, has given Sweden relatively stable union-management relations and has been conducted without Government involvement.

The policy of "wage solidarity" developed by the LO, which represents 2.1m workers in 22 separate unions, establishes minimum pay levels and equal pay for equal work, irrespective of the profitability of the company or industry. It has also narrowed wage differentials between groups and between individuals.

This policy has come under increasingly heavy fire from management for not taking sufficient account of profitability, for undercutting companies' export competitiveness and for forcing the overall wage bill too high.

The battle which the LO may have won this year was for retention of the so-called "wage drift" allowances in the pay settlement. These follow a formula guaranteeing that, if some industries agree subsequently to pay more than the rates agreed in the central pay settlement, workers in other branches will gain compensation for this "wage drift."

Employers made a major bid to eliminate the "wage drift" guarantees from this year's agreement, claiming that the guarantees allowed insufficient pay differentials between skilled and unskilled workers and inadequate incentives for improving productivity. They were forced to back off after strikes and threats of strikes in transport and other key industries. Both the public sector agreement and that negotiated by the LO contained clauses ensuring compensation for wage drift.

The war which the LO may have lost started when the powerful Metall union broke away from the central bargaining and concluded a separate settlement. It won higher productivity-linked pay for its 240,000 engineering sector workers, but the agreement did not include provision for wage drift. Metall union chief Mr Leif Blomberg said: "You can't have everyone compensated for everything that happens in other branches, if you want to change the wage structure."

Mr Palme . . . asked for moderation

The agreement infuriated the LO leaders, who fear that the tradition of wage solidarity may in future be abandoned, causing an indiscriminate scramble among individual unions to reach the best deal. It is unclear how sharp the split will prove to be.

"This year, branch level talks suited the engineering industry better," said Mr Blomberg. "There will be some form of co-ordination with the LO next year, but what form depends on the circumstances."

Some industrialists argue that a further fragmentation of the central negotiation system could lead to a more flexible wage fixing method which would better recognise the differences between industrial sectors and their ability to pay. That may not suit Mr Olof Palme, the Prime Minister, for whom co-operation with the unions has been a stable and important factor.

When Mr Palme returned to power last October at the head of a Social Democratic Government, one of his first acts was to devalue the Swedish krona by 16 per cent as part of a plan to attack Swedene's economic ills through an export-based recovery.

The Prime Minister asked labour to accept moderate wage increases this year so that Swedish industry could draw the competitive benefits of the devaluation. The LO concurred but fragmentation of the labour movement could threaten Mr Palme's long-term policy as well as the system which has ensured labour peace in Sweden.

LO answered the call for wage restraint despite the probability that with high inflation its members will suffer a drop in real disposable income. Settlements have ranged between 1.7 and 2.1 per cent. Overhangs from existing contracts mean that industry's total wage bill should rise by about 7 per cent to 9 per cent. Final levels will be linked to contract talks in specific industries which follow the central or initial pay round.

This year's settlements extend for one rather than three years, as the Government had hoped. This means the drama will have to be replayed next year, making intervening economic developments vital. So far, Finance Ministry officials feel the economic plan is "on track."

The economy has shown preliminary signs of recovery, including improved figures on the current account and higher orders in key export sectors. Sustained lower oil prices could be a positive factor. It can be argued that by eliminating compensation for wage drift the Metall union settlement could help to hold down wage inflation.

Other factors, including the international situation, public sector spending and taxation policies will influence the strength and duration of the Swedish recovery. Should current trends continue into next year with resultant drops in unemployment and inflation, then it will be easier for the labour movement to heal the split within its ranks and easier for the Government to request moderation again in the next wage round.

However, if no improvement materialises, then the tradition of labour co-operation could further deteriorate into a bitter and protracted debate over the shrinking economic pie.

Sheraton Roma Hotel

All that a de luxe hotel can give you and even more.

18 suites, 2 presidential apartments, 680 double rooms, a convention hall for over 2,000 people, 21 meeting rooms, a banquet hall for 1,400 guests, two restaurants, a bar, a discotheque... no other luxury hotel in Italy can offer you all the facilities available at the Sheraton Roma Hotel. For instance, if you like sports, the Sheraton Roma Hotel has tennis and squash courts, a jogging track, a heated swimming pool, a sauna and Turkish baths. And there's even more. If you travel with Alitalia, you'll find an Alitalia check-in point at the Sheraton Roma Hotel, to help you check-in quickly and conveniently.

It only takes minutes to get from the Sheraton Roma Hotel to the city centre or to Fiumicino airport. For reservations at the Sheraton Roma Hotel or at other Sheraton Hotels worldwide, please call London (01) 6366411 or your Travel Agent.

At the time of the opening of the hotel the discotheque and the squash courts may not be operational.

Sheraton Roma Hotel

SHERATON HOTELS & INNS, WORLDWIDE
VIALE DEL PATTINAGGIO - 00144 ROMA, ITALY
Telephone Rome: (06) 5453 - Telex Sherom-I - 614223

COMPANY NOTICES

البنك العربي الماليزي للتنمية ش.م.

Arab-Malaysian Development Bank
Berhad

U.S.$ 20,000,000
Floating Rate Notes due 1983

For the six months
14th April, 1983 to 14th October, 1983
the Notes will carry an interest rate of 9 11/16 % per annum.

Listed on the Luxembourg Stock Exchange

KREDIETBANK
S.A. LUXEMBOURGEOISE
Fiscal Agent

SWISS BANK CORPORATION (OVERSEAS) S.A., PANAMA

NOTICE TO HOLDERS OF THE 6¼% US$ CONVERTIBLE BONDS 1980-90

We refer to the capital increase of Swiss Bank Corporation and the corresponding notice to our bondholders of March 2, 1983.

According to the formula of article 5 II) of the Terms and Conditions of the Bonds the conversion price of US$ 186.- per bearer participation certificate of Swiss Bank Corporation in the nominal amount of Swiss francs 100 each was reduced to US$ 182.-. Upon conversion the difference of US$90.- or US$900.- respectively between the principal amount of such Bond and the reduced conversion price multiplied by 5 or 50 respectively will be paid to the converting bondholder pursuant to article 5 (E) of the Terms and Conditions of the Bonds.

The adjusted conversion price is effective as of April 18, 1983.

Panama, April 20, 1983.

SWISS BANK CORPORATION (OVERSEAS) S.A.

STATE LOAN OF THE KINGDOM OF HUNGARY

7½% (NOW 2.75 PER CENT) STERLING BONDS 1924

N. M. ROTHSCHILD & SONS LIMITED announce that the Coupons due 1st May 1983 from bonds which have been assented in London to the 1968 Offer may now be lodged with them listed on the special forms which can be obtained on application.

Coupons will be received on any business day between 9.30 a.m. and 2.00 p.m. and must be left for an appropriate period for examination.

New Court,
St. Swithin's Lane,
London EC4P 4DU.
20th April 1983.

B.A.I.I. FINANCE COMPANY N.V.
US$ 70,000,000
Floating Rate Notes 1982/1989

The rate of interest applicable to the interest period from April 20, 1983 up to October 20, 1983 as determined by the reference agent is 9⅞ per cent per annum namely US$239.87 per note of US$5,000.

ART GALLERIES

ACHIM MOELLER LTD., 8, Grosvenor Street, London, W1. (01-493 7611.) 1010, Fifth Avenue, New York, NY, 10028. (212-988 8483.) European and American Masters of the 19th and 20th Centuries.

HESKETH HUBBARD ART SOCIETY EXHIBITION at the Mall Galleries, The Mall, SW1. Until 21 April. Mon.-Fri. 10-5, Sats. 10-1. Adm. 50p.

THACKERAY GALLERY, 18 Thackeray St., W8. 01-937 5883. VICTORIA CROWE —Paintings and Watercolours.

PLANT AND MACHINERY

SALE OF USED Fork Lift Trucks, serviced and ready for work. Choice of 70. Stock must be reduced regardless of Cost. Export enquiries welcome. Birmingham Fork Lift Truck Ltd. Tel: 021-327 5944.

MOTOR CARS

Watsons

1982
ROLLS-ROYCE SILVER SPUR L.W.B.

Finished in Ocean Blue with Dark Blue Everflex Roof and Mountain Blue Hide Trim. One owner since new. Private reg. no. Full R-R specifications. Low mileage. Service history available — POA.

ROLLS-ROYCE SHADOW II

Blue Metallic, White Everflex Roof, White Leather Trim. Specifications include Electric Sunroof, Cruise Control, Refrigeration. Full service history available. Private Plates, one owner since new. This vehicle has only 17,000 miles — POA.

MAIN STREET, COATBRIDGE
TEL: 27201

MALTIN WANT PORSCHES, all models. Official Porsche centre. Tel: Henley (04912) 78111.

RESIDENTIAL PROPERTY

SWITZERLAND

FOREIGNERS can still buy quality apartments in MONTREUX, the fashionable summer and winter community on LAKE GENEVA. Also available in famous mountain resorts: VILLARS, VERBIER, LES DIABLERETS, LEYSIN, CHATEAU D'OEX. Individual CHALETS available in lovely CHAMPERY, a skiing paradise. TOWN HOUSES near Montreux also available. Prices from SwFr 200,000 with attractive mortgages at low rates over a long period.

Write:
Developer, c/o GLOBE PLAN SA, Mon Repos 24, 1005 Lausanne
Switzerland - Tel: 21 22 35 12 - Telex: 25185 melis ch

SWITZERLAND
Open for sale to foreigners
we offer you
In Col des Mosses (Vaud)
Fantastic Chalets in Duplex
4-5 rooms
Sfr.398,000
(garage: Sfr.20,000)
Beautiful Apartments
2 and 3-5 rooms
for Sfr.197,000 and Sfr.298,000
(garage: Sfr.25,000)
AGENCE FURER S.A.
Service des ventes
38 av. des Alpes
CH - 1820 MONTREUX
021-63 52 21

A CHAIRMAN'S DREAM

SUPERB NEW CITY COTTAGES overlooking St. Katharine's Yacht Haven and Marina available on 22-year lease at no premium. Fitted to the highest standards with either 1, 2 or 3 bedrooms.

Contact
Jenny Clarke (01) 488 2400

AMERICAN EXECUTIVES
seek luxury furnished flats or houses up to £350 per week.
Usual fees required
Phillips Kay & Lewis
01-839 2245
Telex: 27846 RESIDE G

GERTRUDE ST., CHELSEA, SW10. A selection of 1/2/3 bed flats. 2 unmod. and 3 beautifully mod. Long leases. Low outgoings. Prices from £55,000-£92,500. Aylesford & Co. 01-351 2383.

BRAZIL, RIO DE JANEIRO
PRAIA DO SUL

Fabulous property of 5m sq metres at US$1.50 with 1,500 metres of white sand, private Atlantic beach. Situation 100 km south of Down Town Rio, no pollution. Class A tourist possibility. Excellent drinking water.

All Property Documents available
For details Phone (CH) 01-813 0745

FINANCIAL TIMES
PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY. Telex: 8954871. Telex (Advertising) 885033. Telegrams: Finantimo, London. Telephone: 01-248 8000. Frankfurt Office: The Financial Times (Europe) Ltd., Guiollettstr. 54, D-6000 Frankfurt-am-Main 1, West Germany. Telex: 416193. Telephone: 7598-0. Editorial: Guiollettstr. 54. Telex: 416052. Telephone: 7598-157.

INTERNATIONAL & BRITISH EDITORIAL & ADVERTISEMENT OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C. Telex: 16527. Tel: 276 796.
Birmingham: Editorial and Advertising George House, George Rd., B15 1PG. Telex: 338650. Tel: 021-454 0922.
Bonn: Pressehaus 11/104 Heussallee 2-10. Telex: 8869542. Tel: 210039.
Brussels: 39 Rue Ducale. Telex: 23283. Fax: 512 1404. Tel: 512 9037.
Buenos Aires: Edificio Sitco Piso 7, No. 74 Avenida Corrientes 456, Codigo 1366. Tel: 394769.
Cairo: P.O. Box 2040. Tel: 751482.
Dublin: 25 South Frederick St., Dublin 2. Telex: 25414. Tel: Dublin 603378.
Edinburgh: Editorial and Advertising 37 George Street, EH2 2HN. Telex: 72484. Editorial Tel: 031-226 4120. Advertising Tel: 031-226 4139.
Frankfurt: Editorial and Advertising Guiollettstr. 54. Editorial Telex: 416052. Tel: 7598-157. Advertising Telex: 416193. Tel: 7598-0.
Geneva: 15 rue du Cendrier. Telex: 22589. Tel: 311604.
Hong Kong: Room 302a, Pedder Building, Pedder Street, Central. Telex: c/o Reuters, HK. Tel: 5-226205.
Johannesburg: P.O. Box 2128. Telex: 8-6257. Tel: 838-7545.
Leeds: Advertising Permanent House, The Headrow. Tel: 0532 454969.
Lisbon: Praca de Alegria 58-1D, Lisbon 2. Telex: 12533. Tel: 362 508.
Madrid: Espronceda 32, Madrid 3. Tel: 441 6772.
Manchester: Editorial and Advertising Queen's Hse., Queen St., M2 5HT. Telex: 666813. Tel: 061-834 9381.
Mexico City: Calle Diamantes 54-500, Col Juarez, Mexico 6DF 06600. Tel: 592 5822.
Moscow: Kutuzovsky 14, Apartment 1, Moscow. Telex: 413300 Finanso. Tel: 243 1635.
New York: Editorial and Advertising 75 Rockefeller Plaza, N.Y. 10019. Editorial Telex: 66390. Tel: (212) 541 4625. Advertising Telex: 238409. Tel: (212) 489 8300.
Paris: Editorial and Advertising Centre d'Affaires Le Louvre, 168 Rue de Rivoli, 75044, Paris Cedex 01. Telex: 220044. Tel: 297 2000.
Rio de Janeiro: Rio Branco 45, Salas 2611-2612, Centro DEP 20090, Rio de Janeiro RJ Brazil. Tel: 263 8845. Telex: c/o Reuters.
Rome: Editorial Via della Mercede 55. Telex: 610032. Tel: 678 3314.
Stockholm: Editorial Svenska Dagbladet, Raalambsvagen 7. Telex: 17603. Tel: 50 60 88.
Tokyo: Editorial 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Fax: 245 0358. Tel: 241 2920. Advertising Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex: J27104. Tel: 295 4050.
Washington: Editorial 1171 National Press Building, Washington D.C. 20045. Telex: 440340. Tel: (202) 347 8676.

For Share Index and Business News Summary, Telephone 246 8026 (number, preceded by the appropriate area code valid for London, Birmingham, Liverpool and Manchester).

All advertising is subject to the publisher's current terms and conditions, copies of which are available on request.

هكذا من الأصل

EUROPEAN NEWS

Spain may act against Ruiz-Mateos in Britain

BY DAVID WHITE IN MADRID

THE SPANISH Government is prepared to press charges in British courts against Sr Jose Maria Ruiz-Mateos, the former chairman of the Rumasa holding company, which it expropriated in February 24.

This was disclosed yesterday by Sr Miguel Boyer, the Economy and Finance Minister. He said the authorities were studying the possibility of taking Sr Ruiz-Mateos to court *in Britain, where he is believed* to be staying, on the grounds of alleged irregularities and "practices relating to fraud."

The combined deficit outstanding i nthe banking and non-banking side of the group might amount to about Pta 300bn (£1.5bn), Sr Boyer said.

Sr Ruiz-Mateos already faces the possibility of criminal proceedings in Spain where a court has agreed to take action on a suit filed by the State Prosecutor's Office, last week.

The authorities would seek to lay charges against the former chairman and other top executives for alleged currency offences, falsification of documents, social security fraud and appropriation of tax funds.

The Madrid court now has to examine the evidence before deciding whether to go ahead with prosecution. It is empowered to issue a warrant for Sr Ruiz-Mateos should he fail to respond to a summons. Britain and Spain have no mutual extradition treaty, however.

Sr Boyer said British justice had already acted rapidly to enable the Spanish authorities to obtain documents of Multinvest, an intermediary company in the UK.

The cost to the government of taking over Rumasa would depend on what private enterprises were proposed to pay for companies belonging to the group. He hoped to recover part of the financial burden by this means, but not the majority. The remainder of the cost would probably be spread over the next two years.

A special commission would be named shortly to examine proposals for companies in the group which includes Spain's *Galerias Preciados store chain*, and wine, hotel and other interests.

"When the offers have been analysed we will proceed to sell companies in the order that is considered convenient," said Sr Boyer.

A group of legal experts meanwhile, is working on legislation to tighten up banking controls, he said. "Important gaps" had to be filled in order to avoid a repetition of what happened in the Ruiz-Masteos case and in the collapse of other banks over the past five years.

The changes would be aimed at stopping banks from building up, through intermediary units, a concentration of their resources in companies of the same group. They would also seem to make holding companies more transparent, to reinforce accounting norms, and end "inadmissable practices" *such as the purchase by banks of* their own shares. The powers of the semi-state Deposit Guarantee Fund and the Bank of Spain's controlling role would be strengthened.

UK plans first minister's visit to USSR in six years

BY ANTHONY ROBINSON

MR MALCOLM RIFKIND, the Foreign Office minister in charge of Anglo-Soviet relations, will fly to Moscow on Sunday for two days of political consultations with his Soviet counterpart, Mr Georgi Kornienko, a Soviet First Deputy Foreign Minister. He will spend the rest of the week in Leiningrad. It marks the first ministerial visit to Moscow since 1977 when Dr David Owen, then Foreign Secretary, met Soviet leaders, including the late President Leonid Brezhnev.

Mr Rifkind is officially returning a visit by Soviet Deputy Foreign Minister Mr Nikita Ryzhov to London in February. But the timing of the announcement, five days after the Foreign Office decision to expel Mr Anatoli Chernyayev, third secretary at the Soviet Embassy in London and following a spate of tit-for-tat expulsions on both sides leaves the motive of the *visit somewhat obscure*.

The Foreign Office would not say whether the subject of expulsions would be raised during the talks. But the decision to go ahead despite the coolness in Anglo - Soviet relations *is taken as a signal* of Britain's willingness to try and maintain a dialogue of some kind.

"Britain was ready to see a hard-headed realistic dialogue to develop a constructive relationship if the new Soviet leadership adopted a new approach and exercised restraint in international affairs," the Foreign Office said.

Foreign Secretary Francis Pym is understood to have approved the visit and the Foreign Office has been in touch with Moscow to ensure that the visit could still take place despite the latest expulsion. The Soviet Ambassador, Mr Viktor Popov, lunched with Mr Rifkind yesterday and also called on Mr Douglas Hurd, the deputy foreign secretary.

Meanwhile, the Soviet news agency Tass announced yesterday that Mr Edward Chick, a *27-year-old British citizen* had been expelled on Monday "for spreading hostile materials on the instructions of an anti-Soviet emigree organisation."

Switzerland's trade deficit doubles

By John Wicks in Zurich

SWITZERLAND'S deficit on foreign trade more than doubled in the first quarter, compared with the corresponding period of 1982. It widened *from* SwFr 1.07bn (£345m) to SwFr 2.35bn (£758m), following a 5.9 per cent rise in imports and a 1.6 per cent decline in export value.

Although the increase in imports is due partly to some large contracts, the trend was noticeable in the second half of last year. While the overall merchandise deficit in 1982 was narrower by 26 per cent at SwFr 5.4bn a marked widening of the trade gap seems probable again this year.

Soviet output rises

Soviet industrial production rose by 4.7 per cent in the first quarter of 1983 compared with the same period last year, *while industrial productivity* rose 3.9 per cent, according to Pravda, the Communist party newspaper, Reuter reports from Moscow.

EEC farm ministers deadlocked over prices

By Larry Klinger in Brussels

EEC FARM Ministers were deadlocked last night over how to set new guaranteed price levels for the Community's 8m farmers. This was against a background of European Commission warnings that any increase over the currently proposed 4.2 per cent rise could exhaust Community funds next year.

Herr Ignaz Kiechle, the West German Agriculture Minister and current council chairman, had to discard a comprehensive set of compromise proposals yesterday. Following lengthy talks with individual ministers on Monday night and again for most of yesterday, it became clear that he would be unable *to do little more than suggest* "guidelines" for the Council of Ministers.

Not least among his difficulties is how to resolve a dilemma facing his own government. The Commission's proposals as they stand would, in effect, mean a standstill in West German farm prices for 1983-84, but Bonn is committed to containing any overall price rise to levels the Commission is proposing.

The Commission has warned the ministers that there is no room for them to add their *traditional 1 or 1.5 percentage* points to it sproposals this year. Farm spending was already up 35 per cent this year on 1982, and, if the trend continued, farm support funds could rapidly be exhausted.

The Council of Ministers was nevertheless continuing its negotiations late into the night, but it was becoming increasingly clear that no real breakthrough could be expected ahead of Herr Kiechle's consultations with his cabinet in Bonn today.

West Germany is under strong pressure from several member states to revalue its *agricultural trade currency, or* "green Deutschmark." This, however, would, in effect, erase much of any eventual price award based on the Commission's proposals.

The Council is also divided over the Commission's proposals for lower price rises for milk and cereals as a penalty for recent costly over-production.

Delors hints at further austerity

BY DAVID HOUSEGO IN PARIS

RESTRICTIVE measures in *France* will have to be tightened further if the dollar continues at its present strength, M *Jacques Delors, the French* Finance Minister, warned yesterday.

The dollar has sappreciated by some 7 per cent against the French franc since the eve of last month's devaluation and was quoted in Paris yesterday at $7.7356, just below Monday's record level. The day-to-day *money market rate was* also raised marginally yesterday to 12¾ per cent, reflecting an apparent halt in the slow downward trend in rates since the 18 per cent level in March.

The continuing strength of the dollar is viewed by the French Government as dangerously undermining the effects of last month's austerity package. Already, the Government *has little hope of* achieving its objectives of bringing down the trade deficit to FFr 45bn (£3.9bn) by the end of the year and of cutting inflation to 8 per cent.

Economic forecasters expect a trade deficit of FFr 60bn (£5.2bn) with inflation still around 9-10 per cent by the end of the year.

The strength of the dollar is both swelling the size of the import bill by making imports more expensive and adding to *the inflationary pressures in the* economy. In the economic calculations behind its austerity measures, the Government assumed an exchange rate for 1983 of FFr 7.10 which was considered conservative even a month ago. France is unable at the moment to benefit from a weak franc to boost its exports *in the U.S.*

In the short term, what worries the Government most is that the April price figures—boosted by increases in public sector tariffs—and other bad indices in the early summer could spark off further pressure *against the franc and fresh* tension within the European Monetary System.

*In spite of M Delors's warn*ings of further restrictive policies, it is by no means clear that he would have the political support to carry these through. Opposition within the Socialist Party to his deflationary policies is already considerable and becoming more outspoken. The Communists are also opposed to any cuts in purchasing power.

Marchais signals 'no change'

BY PAUL BETTS IN PARIS


M Marchais . . . future still in question

M GEORGES MARCHAIS, the French Communist Party leader, yesterday received his party's support for the Government *despite growing doubts in* the rank-and-file about their party's role in government.

He was speaking yesterday at the long-awaited central committee meeting, held, as usual, behind closed doors. It was the first since last month's municipal elections in which the Communists, like the Socialists, *suffered setbacks. It also follows* weeks of soul-searching in local party sections about the role of the party in government, Communist support for the latest austerity package, and the very future of the party itself.

M Marchais's address yesterday, however, suggested no fundamental changes in policy or leadership in the very near future. The party is expected *to* wait to see how the economic situation in France develops before deciding its future course.

M Pierre Juquin, the party's chief spokesman, denied that any changes were envisaged in the leadership. There has again been speculation recently that M Marchais's days at the head *of the party were numbered*.

Although no significant changes are likely to emerge *from the two-day* meeting, the Communists continue to be shaken by growing internal debate and grumblings in the party base.

The leadership claims the party plays a more important role in government than outside but many militants are increasingly doubtful about this policy. The leaders claim the Government would not have watered down some of its austerity measures *if it had not* been pressed by the Communists, who are junior coalition partners of the Socialists. Some militants, however, claim that the recent concessions which M Pierre Mauroy, the Prime Minister, made to the Communists on the economic measures were slim.

They argue that the latest austerity measures go against the basic principles of the party's economic policies designed to protect the interests of workers. They feel that being associated with the Government's economic policy is damaging in the long term to the party as a whole.

Dutch lop Fl 2bn more off public spending

BY WALTER ELLIS IN AMSTERDAM

THE Dutch Government, after prolonged internal wrangling, has produced a spring budget centred on additional spending cuts of Fl 2bn (£500m). Figures for actual 1983 expenditure will not be announced until June, but the total value of savings now exceeds Fl 15bn, and the atmosphere of economic emergency which seems to characterise much of the Government's thinking is more intense that ever.

The fall in natural gas prices, associated with that of oil *prices*, has been calamitous for Dutch budget structuring. Some FL 1.75bn of this year's revenue shortfall is reckoned to be due to the decline in income from gas. This figure could rise to as much as Fl 6bn by 1986.

Without an increase in gas prices spending cuts will have to continue at their present savage rates for at least several more years.

The Finance Ministry says despite the latest cuts the budget deficit forecast this year will rise from 11.9 per cent of national income to 12.5 per cent. Without additional Fl 2bn in savings, the figure would have been 13 per cent.

A total of Fl 905m is expected to be saved this year by a 2 per cent cut in social welfare benefits, to take effect on October 1. Employees' contributions to the social welfare system, meanwhile, are to rise by 0.35 per cent in July and *again in October. Child welfare* benefits will be exempted, but the Government's contribution to disability payments are to be withdrawn from July 1.

Public sector cost savings *which brought about this year's* freeze of civil service wages are not included in the accounting since, in theory, more employees are supposed to be taken on in return for a reduction in hours.

A reduction in rental subsidies wil save a further Fl 900m this year, and revenue will be boosted by a 10 cents per litre increase in petrol tax, yielding some Fl 200m.

The cuts are expected to reduce purchasing power by 3 per cent for minimum wage-earners. Those on average pay will lose 3.5 per cent. At the top end of the scale the loss will be only 0.5 per cent.

The opposition Labour Party described them as "disastrous." The traditional linkage between the minimum wage and social welfare benefits had been thrown on the scrapheap, it said. The largest trade union federation warned that the "one-sidedness" of the measures would worsen the economic crisis.

Excellence is achieved only through consistency and innovation.

And subtlety.

Excellence, in any endeavour, is based on superior performance, day in and day out. And continued success is achieved only when like-minded professionals combine their experience and ingenuity in such a manner as to set them apart.

It is an accomplishment which requires common purpose sparked with rare determination. A special ability to conceive and execute complicated strategies with skill and finesse. Subtlety. These are parts of a real-life philosophy. A philosophy which yields handsome rewards.

Common purpose and teamwork: how they work for you.

Renault found itself with highly specialised foreign currency needs: fixed rate, offshore Japanese yen. What they found at Bankers Trust was the experience and international reach to execute an extremely complicated multi-nation currency swap.

Bankers Trust fitted together the needs of Renault with those of a Japanese financial institution and a major Latin American borrower. The structuring of this unique arrangement required the ingenuity of our Corporate Financial Services swap teams in London and Tokyo. The expertise of our Resources Management professionals in New York and Tokyo. Our Corporate Trust specialists in London. The market knowledge and operations capability of our Tokyo branch. And that of our World Corporate bankers in Paris.

Highly skilled people from Bankers Trust's worldwide service network were brought together to work as one, carefully guided by one of our experienced relationship managers. Someone who realised the potential of people working diligently toward a common purpose. People inspired by the pursuit of excellence.

It is this kind of performance into which our philosophy translates. Performance which makes Bankers Trust stand out in our industry. And the kind of performance which helps make our clients first in theirs.

Bankers Trust Company
Worldwide
An international banking network in over 35 countries.
280 Park Avenue, New York, N.Y. 10017

OVERSEAS NEWS

Beirut embassy deaths may exceed 50

BEIRUT – More than 50 people may have died in the blast that wrecked the front of the U.S. Embassy in Beirut on Monday according to preliminary figures given by Mr Robert Dillon, the U.S. ambassador, yesterday.

Mr Dillon told reporters that seven Americans were confirmed as dead and eight more were missing and presumed to have died in the explosion.

He said six of the mission's local Lebanese staff were also known to have died and as many as 40 more Lebanese might be trapped in the building. Mr Dillon added that rescue workers believed no one was still alive inside the seven-storey structure. He said, however, that it was impossible to know exactly how many Lebanese were in the embassy at the time of the explosion.

Referring to the number of Lebanese, both embassy staff and visa applicants, he said, "we don't think it's beyond 40. We pray it's less."

Lebanese security sources put the number of people definitely known so far to have been killed at 31, with 100 injured.

The ambassador spoke in front of the ruined mission on the Beirut seafront as bulldozers ploughed through the rubble. His casualty figures apparently did not include any passers-by who may also have died in the blast. But such people seem to have been included in the Lebanese death list.

Asked about the cause of the blast, Mr Dillon said two competent eyewitnesses reported that a heavily loaded van forced its way past guards to the front of the building and blew up. There was no information about the driver.

Meanwhile, investigators faced a flurry of claims of responsibility for yesterday's bomb attack. Three separate claims have now been received by news organisations in Beirut, all on behalf of previously unknown groups.

Such claims, made in telephone calls or written communiques, are common in Beirut and their authenticity is rarely possible to prove. One caller said a group named "Islamic Jihad" (holy war) carried out the attack.

Another contacted the influential newspaper An-Nahar and claimed responsibility on behalf of "the organisation for revenge for the martyrs of Sabra and Chatila" Reuter

Row erupts over funds for Israeli canal

By David Lennon in Tel Aviv

ISRAEL's ambitious plan to build a canal between the Mediterranean and the Dead Sea, in order to generate electricity, may be in deep trouble and investors who provided $100m in seed money may find it is being put to other uses.

The Israel Bonds Organisation has raised the seed money from Jews, mainly in the U.S., who each bought $100,000 in bonds to finance the preliminary work on the canal, which, it is estimated, is likely to cost $1.4bn in current dollars.

The Energy Ministry has accused the Treasury of having misappropriated this money to finance general Government spending. The Treasury has responded that money raised by the sale of Israel bonds may be used for any purpose the Government sees fit.

Mr Menahem Begin, the Prime Minister, was forced at yesterday's Cabinet session to rebuke the Treasury for issuing insulting declarations about the Energy Minister's lack of expertise and ignorance about the use of bonds monies. He may yet have to do the same in defence of the Treasury, which the Energy Ministry has accused of lying and misleading the cabinet, the Knesset and the public.

The canal project is a particular pet of Mr Yitzhak Modai, the Energy Minister, who has pushed for its implementation, even though it will be vastly expensive and may not prove economically viable.

The plan is to dig a canal that will utilise the drop in altitude from the Mediterranean to the Dead Sea, the lowest surface point on earth, to generate hydroelectric energy. But the Treasury, which was always less enthusiastic, now says that the country cannot afford to fund two major national projects requiring massive financing, at the same time.

Now that the decision to push ahead with the plan to build the new generation Lavi fighter aircraft has been confirmed, the canal project should be postponed for a few years, if not abandoned altogether, the Treasury says.

Kathryn Davies, recently in Bandar Seri Begawan, reports on Brunei's bid for independence from Britain

Asian outpost feels insecure without the Gurkhas

TIME is running out for an amicable parting between Britain and Brunei, the UK's tiny oil-rich protectorate in Northern Borneo. Under an agreement reached in London four years ago, Britain is to relinquish its residual responsibilities for Brunei's external affairs and defence by December 31, 1983. But with just eight months to go before independence, the terms of the disengagement have still to be negotiated.

Thirteen hours of talks between a British delegation headed by Foreign Office Minister Lord Belstead and the Sultan of Brunei in Bandar Seri Begawan late last week failed to break the deadlock. The talks foundered over differing perceptions of Brunei's future defence needs and, specifically, over the proposed transfer of a British Gurkha battalion stationed close to vital oil fields, to the Sultan's own armed forces.

Brunei is a political anachronism even in a region where democracies are generally "guided" by military or political elites. Unlike its East Malaysian neighbours, Sabah and Sarawak, the Sultanate was never a British colony in the formal sense.

Like the Malaysian states, Brunei's population is predominantly Malay. Under a series of treaties dating from the mid-19th century, Brunei has been responsible for its own domestic policies, with British High Commissioners having progressively less influence over the years until, in 1971, their rôle was formally confined to advising on foreign affairs.

But Brunei is one of that tiny band of territories, like Gibraltar and the Falkland Islands, which is reluctant to sever the ties with its colonial past. Its reason is similar: fear of the possible ambitions of neighbouring states.

The present Sultan, Sir Muda Hassanal Bolkiah, is said to be an Anglophile, like his father Sir Omar, whose political influence has recently re-emerged behind the scenes. But neither man shows any signs of leaning towards Western-style Parliamentary democracy.

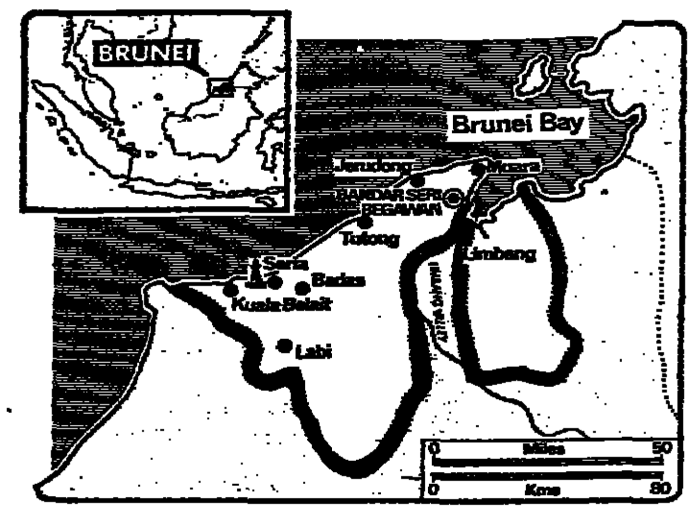
When elections were held for Councils of State in the early 1960s the former Sultan's political opponents won resounding victories: the Sultan refused to convene the councils, an attempted coup followed and the sultanate was only saved by British troops hurriedly sent in from Singapore.

The Royal family is not only politically powerful, it is also hugely wealthy from the country's oil and natural gas revenues which, despite falling world oil prices, are likely to earn around $3bn for Brunei in 1983, against projected public expenditure of $1.5bn.

Projects under way include a new palace for the Sultan, his two wives and six children costing an estimated $280m. The massive edifice, with hundreds of rooms, will take up the whole of a 600-acre site.

The original company, which found the first major oil field at Seria in 1929, was Shell (then known as the British-Malayan Petroleum Company) and Shell is still the dominant force in Brunei's oil industry, with a vast sprawling virtually self-contained complex two hours drive from the capital.

Brunei Shell Petroleum is now a joint venture between Shell and the Sultanate, which holds a substantial stake in the other three companies operating in the gas and oil industries: Brunei LNG, Brunei Shell Marketing and Brunei Coldgas.



So far falling oil prices have not been a problem because revenue outstrips spending by around 165 per cent. "The world price would have to drop to below $20 a barrel before Brunei would be seriously affected," notes one locally-based European businessman.

Some of Brunei's oil wealth has trickled down to the 200,000 inhabitants of the 2,226-square-mile twin enclaves separated by the Malaysian state of Sarawak. Government employees are offered very cheap or interest-free loans to buy houses and cars and, until recently, colour television sets. There are 60,000 cars in Brunei and many families own two or more.

None the less, there is a massive imbalance between the wealth of the Royal family and the Malay upper class which supports it, and the Malays outside the civil service, working the land or squatting on the slum areas of the capital.

Within the 60,000-strong ethnic Chinese community, without whom the non-oil economy would simply collapse, there are families living in flimsy shacks with primitive facilities, as well as jet-setting millionaires.

The Chinese themselves are worried about the implications of Britain's final exit from Brunei because it removes the sole protection they currently enjoy—a British travel document. Only about one-tenth of the Chinese population are Brunei citizens, although most are theoretically eligible under residential qualifications.

Many would-be citizens fail the Malay language test whose provisions are frequently quixotic. The Sultan recently sought the co-operation of Chinese businessmen to help Malays acquire expertise in commerce, but without offering eagerly-sought reassurances on either citizenship or residential permits.

For the past few years, skilled Chinese have quietly filtered out of Brunei to safer pastures in other Asian countries or in Australia or Canada. Around Seria and the town of Kuala Beleit, where ethnic Chinese are in the majority, the atmosphere is becoming noticeably more tense as the December deadline approaches.

The issue is of some concern to neighbouring Malaysia, which fears a panic exodus of Brunei Chinese across the border if the situation deteriorates after independence. Equally, the Sultan—and particularly his father—are still suspicious of Malaysian intentions towards Brunei, despite the public reassurances given by Dr Mahathir Mohamed's Government in Kuala Lumpur.

A recent visit to Bandar Seri Begawan by Dr Mahathir himself was designed to reassure the Sultan that any ambitions nurtured by previous Malaysian Governments towards turning Brunei into another Malaysian state were no longer considered realistic.

Malaysia has also voiced support for Brunei's membership of the Association of South East Asian Nations (Asean), the regional grouping of five non-Communist states, whose close political links and high growth rates have brought a measure of stability to a region traumatised by the Vietnam war.

Brunei already has a warm relationship with Asean member Singapore, whose troops train in the Sultanate's jungle warfare training school and who have given diplomatic assistance to Brunei's British-trained foreign affairs staff, due to take up residence in an imposing building close to the British high commission.

Despite the overtures of his neighbours, however, the Sultan clearly feels that he needs to have control of the British Gurkha battalion in what one Brunei official calls "the interests of maintaining security. Brueni residents are also being told that they cannot expect any early moves towards democracy once full independence is achived.

This unease, whether justified or not—and the Sultan's life is very remote from that of most of his subjects—helps to explain the current rupture in relations with Britain and the unceremonial exit 10 days ago of Britain's High Commissioner, Mr Arthur Watson at the end of his tour. No satisfactory explanation has so far been given for his abrupt departure.

Lord Belstead and his team, who clearly hoped to reach a definitive agreement over the Gurkhas in talks last week, had to leave Brunei on Sunday with very little to show for what had been a demanding confrontation. Britain would like an early end to the dispute. But the Sultan and his advisers seem determined to continue negotiations until the Brunei Government's security from 1984 is watertight.

Stop border provocation, China warns Vietnam

BY MARK BAKER IN PEKING AND RICHARD COWPER IN BANGKOK

CHINA yesterday warned Vietnam to stop what it called "provocations" along their joint border or face further retaliation.

Reporting a further escalation in fighting, the official Xinhua news agency said more than 3,000 Chinese civilians had evacuated a commune in Guangxi province after a hospital, primary school, houses and other buildings were wrecked by Vietnamese bombardment.

The report claimed that the Vietnamese suffered "heavy losses in retaliatory shelling" in what was the fourth consecutive day of artillery exchanges along the borders of Guengxi and Yunnan provinces.

But despite the apparent worsening of the conflict, it appears that China's retaliation is still confined to border defence units, relatively lightly armed with mortars and light artillery. There has been no indication of army reinforcements being moved into the areas.

A Xinhua editorial yesterday accused the Soviet Union of backing Vietnam in its attacks along the border, adding that the attacks were linked with the Vietnamese offensive on the Thai-Kampuchean border and part of the Soviet Union's scheme to destabilise South-East Asia.

The unusually strong attack said Moscow's intention was to bring all Asean countries "under the thumb of Vietnam one by one."

On the Thai-Kampuchean border yesterday sporadic fighting continued between Peking-backed Khmer Rouge guerrillas and Vietnamese forces backing the Heng Samrin regime in Kampuchea. The fighting resumed late on Monday night and went on intermittently yesterday, concentrated about one mile inside Kampuchea in the vicinity of Phnom Chat, around 190 miles east of Bangkok.

It was not clear whether the fighting was part of a much-heralded attempt by the Khmer Rouge to recapture the important mountain stronghold overrun by the Vietnamese on March 31.

The area is of considerable strategic significance as it commands high ground overlooking two other guerrilla camps at Nong Samet and Ban Sangae.

These are home for more than 100,000 civilian supporters of the Khmer People's National Liberation Front (KPNLF), led by Song Sann. The camps are said to be protected by around 3,500 KPNLF guerrillas.

Prime rates up in Hong Kong

Hong Kong's major banks yesterday boosted interest rates in an effort to restore the strength of the local currency and prevent a further drop in the stock market, writes Andrew Fisher in Hong Kong.

Chartered Bank and Hongkong and Shanghai Bank said last night that their prime lending rates would rise by one percentage point to 11.5 per cent. The decision is effective from today.

AMERICAN NEWS

Mexico's peasants have seen little change since the revolution, reports William Chislett

Zapata would have turned in his grave

"IF MY grandfather was alive today, he would call for another revolution," said Sr Emiliano Zapata, whose illustrious relative of the same name helped to start Mexico's 1910 revolution.

Emiliano, like millions of poor Mexicans, lives with his family of five children in a single storey concrete dwelling in the village of Anenecuilco, the birthplace of his grandfather, 70 miles from Mexico City. Near his home, in a dusty unpaved street, is a museum in honour of his revered relative.

General Zapata's battlecry "tierra y libertad" (land and freedom) is inscribed on village walls by the Institutional Revolutionary Party (PRI), which has ruled Mexico for 54 years. Peasants in the countryside still live in much the same way as people did then, wearing the traditional dress of straw hat, thick leather sandals, white trousers and shirt. They carry machetes to cut sugar cane and the women wash clothes in the river. Their unchanged lives reflect the stagnation in their economic circumstances.

Earlier this month in Cuautla, at a ceremony to commemorate the 64th anniversary of the murder of Gen Zapata, Sr Salvador Robles Quintero, the Deputy Agrarian Reform Minister, bluntly announced that there was no more land available to satisfy the demands of the 5m peasants who have requested plots. There are now more landless peasants in Mexico than before the revolution.

Long ago, resources were diverted from the countryside to establishing industries in the cities. So little has been spent on agriculture that Mexico will have to depend on a $1.7bn credit from the U.S. Department of Agriculture to pay for its food imports this year.

TODAY'S peasant has barely progressed since the era of Sr Zapata

Food imports are likely to be double last year's 4.5m tonnes and Mexico cannot pay for them because of the tremendous burden of servicing its $83bn foreign debt. Very little of this borrowing was spent on investment in the countryside, but the effects of Mexico's financial crisis are not by-passing the peasant.

Emiliano, stripped to the waist and tending his herd of 15 cows, is angry that prices are going up much faster than wages. A bag of processed food for his cows, which cost 230 pesos (about £1) last August, has gone up to 650 pesos. But the price of milk has risen from 27 pesos a litre to only 35 pesos. Petrol, too, has gone up from 10 pesos to 24 pesos a litre in the same period, pushing up his milk delivery costs.

The legal minimum wage rose by 25 per cent in January to a maximum of 455 pesos against a forecast inflation rate of about 70 per cent this year. Even so, most workers entitled to the minimum rate do not receive it because the demand for jobs is so intense that employers can pay lower wages.

The average daily wage for agricultural workers in the state of Morelos, where Emiliano lives, is about 300 pesos. "How can people survive on that?" he said.

The Government is now emphasising rural development rather than boosting food output to try to stop people from moving to the towns. Labour intensive programmes to build roads and ditches are under way in the most depressed areas.

Nevertheless, the lack of jobs in rural areas, where about 40 per cent of the 73m population live, is forcing peasants either to migrate to cities and towns or to try to cross illegally into the United States. Over 1,000 people a day are estimated to arrive in Mexico City from rural areas, where they swell the capital's already bulging population of 15m.

Mexico faces a cruel situation. Only 30m hectares of its total land space—15 per cent—is potentially arable land because of the mountainous and barren topography. Only about half this amount is currently cropped, 5m hectares of it under irrigation. With a population growing by 2m a year, the pressure for arable land is intense and the need to produce more food imperative.

Mexico's insolvency was a major factor behind the Government's decision to ditch the previous Government's costly integrated food policy, which poured billions of pesos into maintaining subsidised food prices and providing farmers with cheap fertilisers, but did little to change inefficient production methods

Under its economic stabilisation programme agreed with the International Monetary Fund, Mexico is committed greatly to reduce subsidies. Nonetheless, the Government has still not announced its guaranteed prices for corn and wheat, which are normally set at the beginning of the year when planting takes place.

The new prices will be a key indicator of the degree to which it is prepared to reduce subsidies. The fact that it has dragged its feet for so long underscores its nervousness on this sensitive issue. As a result, farmers have planted less corn and wheat this year.

The Agriculture Ministry has recommended a guaranteed corn price of 18,000 pesos per tonne, compared with 8,850 pesos last year, to encourage production and compensate for increased costs. If this price is authorised, the Government will have to double the price of tortillas—the corn-based pancake which is a staple food—unless it is to increase the already very heavy subsidy.

Conasupo, the state basic foods agency, is currently paying an interim price of 10,200 pesos per tonne and selling the corn to the private tortilla makers for 6,500 pesos per tonne.

"Subsidising consumer prices presupposes that the consumer has some money," said a Government economist. "Now less money is coming in because unemployment is rising. What happens when it reaches the situation when a family receives no money? Will there be food riots?"

Nicaraguan army 'kills 47 more guerrillas'

By Tim Coone in Managua

A FURTHER 47 right-wing guerrillas have been killed in fighting in northern Nicaragua in the past five days, according to Nicaragua's Ministry of Defence. The Government has put its own losses at six dead.

The fighting took place about 25 miles from the Honduran frontier, in the northern department of Jinotega, where several counter-revolutionary "task forces" have been active for the past two months.

The Government reportedly used specially trained units to attack the guerrillas and evidently took them by surprise.

William Chislett in Mexico City writes: Mr George Shultz, U.S. Secretary of State, Mr Donald Regan, Treasury Secretary, and Mr Malcolm Baldridge, Secretary of Commerce, prepared to leave Mexico City last night after two days of top-level discussions with Mexican Government officials on prospects for a negotiated solution to the conflict in Central America.

However, according to private remarks made by senior U.S. officials, little progress appeared to have been made on reconciling the great differences of opinion over how to pacify the turbulent area.

Civil servants strike in Jamaica

Jamaica's civil servants went on strike yesterday in protest at a wage offer which they say has been lowered because of IMF pressure, reports Canute James from Kingston. The civil servants and about 100,000 other employees have rejected the pay offer worth about J$728 (£270) a year.

Canadian banks cut prime rates

Canada's major banks cut their prime rates on Monday by 0.5 points to 11 per cent, the lowest level since November, 1978, AP reports from Toronto. The cut is the first in the prime rate since February and continues a general downward trend which began last summer.

Reagan urges prompt congressional approval of MX plan

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan yesterday appealed for a new national consensus on the U.S. strategic arms build-up, in the hope of ending the long-running controversy over his new MX intercontinental ballistic nuclear missile.

He called for prompt congressional approval of plans to deploy the missile, which he sees as a key element in the build-up.

Mr Reagan fully endorsed the recommendations of his special commission on strategic forces, which last week recommended basing 100 MXs in existing Minuteman silos in Wyoming while pressing ahead with the development of a smaller mobile missile, known as the "Midgetman", for deployment in the early 1990s.

In his bid for bipartisan support, Mr Reagan said the National Security Council and the Joint Chiefs of Staff also approved the commission's findings.

The recommendations included the continuation of Mr Reagan's overall strategic modernisation programme, first announced in October, 1981, and a vigorous strategic defence research programme, including a major study of the hardening of missile silos.

Mr Reagan said history had shown that "stabilising arms control agreements" with the Soviet Union could only be achieved when the U.S. showed "the resolve to remain strong."

The programme recommended by the Scowcroft commission (named after its chairman, General Brent Scowcroft) would save about $1.5bn in 1984 and even more in each of the next two years, compared with other suggested basing modes, Mr Reagan said.

Gen Scowcroft will remain a White House adviser while the plan goes through what is likely to be a difficult congressional obstacle course.

Congress now has 45 days to approve the basing mode for the MX, which Mr Reagan has dubbed the "peacekeeper," releasing production funds for the missile that have been blocked since December. The commission's report, however, has already received mixed reviews on Capitol Hill.

Democratic opponents of the missile have pronounced the programme dead on the grounds that it is too expensive, unnecessary and will still leave U.S. land-based missiles vulnerable to a Soviet first strike.

Even some Republican senators have argued the U.S. already has enough nuclear warheads, although the majority are likely to side with the President.

Gen Scowcroft himself muddied the congressional waters earlier this week, when he said in testimony on Capitol Hill that the basing recommendation had been shaped as much by political as military requirements.

Laying aside political considerations, he said the recommendations would probably have been different.

Both he and Dr Harold Brown, defence secretary under President Jimmy Carter and a commission adviser, said that from a purely military standpoint they would have preferred basing the MX in some sort of mobile system

Salvador army expected to intensify war against rebels

BY WILLIAM CHISLETT IN MEXICO CITY

THE RESIGNATION of General Jose Guillermo Garcia, the Defence Minister of the embattled U.S.-backed Government of El Salvador, is expected to herald a tougher approach by the country's armed forces in their three-and-a-half year war against left-wing guerrillas.

Gen Garcia, who had lost the confidence of both Washington and his own high command because of his failure to make any significant headway against the rebels, was replaced on Monday by Gen Eugenio Vides Casanova, the hardline chief of the National Guard.

The change comes as President Ronald Reagan faces a mounting congressional rebellion against his Central American policies which include plans to step up military aid to the right-wing Government of El Salvador.

Gen Vides Casanova can be expected to try to deploy the army more efficiently and with even less concern for human rights.

The Government's appalling human rights record has become a thorn in the flesh of the Reagan Administration, which to continue U.S. aid, has to testify on the subject to Congress every six months.

Over 30,000 people have been killed in the country's civil war which a growing number of U.S. congressmen fear could spill over into the rest of Central America.

The Reagan Administration is reluctant to negotiate a political settlement with the rebels, although a military victory by either side is considered remote.

The 53 U.S. military advisers helping the Salvadorean armed forces have long despaired of the army's tactics against the rebels. The guerrillas have become adept at breaking through army lines and at economic sabotage. Army morale is very low.

Reginald Dale in Washington writes: It has been the National Guard's record of human rights abuses that has created the most concern in Washington, which has preferred to channel aid to the relatively better discsplined army.

Congressional concern over U.S. military aid could well further increase now the National Guard commander has been given control over the country's armed forces.

AP adds: El Salvador's moderate Christian Democrats have chosen Sr Jose Napoleon Duarte, the former President of the civilian-military junta that ruled until March 1982, as their candidate for December's presidential elections.

Bank lending proposals

BY WILLIAM HALL IN NEW YORK

THE three main U.S. banking regulators have resubmitted their proposals for strengthening the supervision of foreign lending by U.S. banks in legislative form to the Senate Banking Subcommittee which intends to draft proposed legislation over the next week.

The regualtors' proposals give them considerable discretionary powers. This is in line with their belief that any legislation should be flexible so that they can deal with international problems as they arise.

It is unclear whether the Senate Banking Committee will accept the proposals in their present form and there is a feeling that they need to be tightened up.

Battle looms for Reagan's trade protection Bill

BY CHRISTIAN TYLER, WORLD TRADE EDITOR

PRESIDENT REAGAN'S controversial Bill for extending politically-inspired export controls, attacked by European governments and businessmen on both sides of the Atlantic, could be considerably diluted by Congress, said a U.S. industry official yesterday.

Dr Michael Samuels, a vice-president of the U.S. Chamber of Commerce, predicted that Bills tabled by key Congressional figures, not the Administration, would provide the basis for renewal this autumn of the U.S. Export Administration Act of 1979.

The effect would be to leave the legislation much as it is now, denying the Administration the extra leverage it is seeking to block the transfer of technology to the Soviet Union.

Dr Samuels claimed it was hard to find any U.S. Government official who supported the President's whole position and that his proposals had "fractured" the Republican Party. "Today virtually the entire U.S. business community is behind the goal of refocussing the Export Administration Act," he said.

The strongest runners appeared to be Bills put down by Rep. Don Bonker, Democratic chairman of the House foreign affairs sub-committee — a broadly free trade measure— and that of Senator John Heinz, Republican chairman of the Senate banking and finance sub-committee.

Dr Samuels was speaking at a seminar organised by the American Chamber of Commerce in London at the U.S. embassy where President Reagan's Bill was the subject of a sharp and lively attack. A record of the debate will be sent to Washington.

Renewal of the Export Administration Act has reopened wounds exposed by President Reagan's attempt last year to stop European companies fulfilling contracts containing U.S. technology for the Siberian-W. Europe gas pipeline.

A senior official of the British Department of Trade warned yesterday that the U.S. Administration was isolated in its pursuit of extra-territorial power and that British reaction would be more swift and severe than over the pipeline dispute. "Washington should not assume we won't take action in future to uphold our jurisdiction."

There was some indication yesterday, however, that the Administration's threat to close the U.S. market against overseas companies that defy export control orders may not survive Congressional scrutiny.

That sanction is seen as a breach of the General Agreement on Tariffs and Trade (Gatt) which would spark instant retaliation.

It also emerged that a number of governments are drawing up legislation to protect companies incorporated in their countries from U.S. jurisdiction. Some are modelling their plans on the British Protection of Trading Interests Act, invoked last year to countermand President Reagan's oil and gas technology embargo.

Unctad head stresses environment for trade

By Anthony McDermott in Geneva

MR GAMANI COREA, the secretary-general of Unctad, yesterday called for efforts to "create the environment for trade . . . resisting the trend towards protectionism," in his opening address to the 26th session of the organisation's Trade and Development Board (TDB).

In emphasising that trade issues — particularly protectionism and structural adjustment—were key subjects for the TDB, he added that the link between global economic expansion and trade was "two way": "recovery can help alleviate the problems of trade . . . and in turn trade can help the recovery."

The board is the governing body of the UN Conference on Trade and Development and meets twice a year. Although it has been influential in reviewing all Unctad's activities, the proximity of this meeting to the Unctad conference in Belgrade in June is having the effect of either freezing the positions of the main regional groups on key trade issues or postponing their serious discussion until the conference itself or after.

Japanese buy fewer imported consumer goods

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPAN'S imports of foreign manufactured consumer goods hit a peak in 1979 but have, with exceptions, been declining since. This is one of the more depressing conclusions of a report on the Japanese distribution system as it affects imports that was published today by the Fair Trade Commission.

The FTC, which acts as the watchdog of Japan's anti-monopoly law, surveyed 12 products which figure largely in Japan's trade with Europe and the U.S. to see whether the domestic distribution system for any of the 12 items was "unfair" to imports. In its lengthy report the Commission says it has discovered no unfair practices.

It notes, however, that in seven of the 12 markets covered, sales of foreign goods began declining in 1980 and fell further in subsequent years. Only two products showed steady increases in sales up to 1981. They were spaghetti (which recorded a 1,974 per cent sales rise between 1976 and 1981) and biscuits (up 111 per cent over the same period).

Among the more dismal figures covered by the FTC are those for imports of cars—down 21 per cent in volume terms over a five-year period. The Commission's figures also show that imports of watches, chocolate, electric razors, handbags and perfumes all peaked in 1979 and then began falling. Foreign market shares for most of the products concerned also fell in 1980 although not as rapidly in many cases as sales.

The FTC claims that a poor reputation for quality as well as inadequate sales promotion by importers helped to discourage Japanese consumers from buying some foreign products. It cites surveys by two Japanese consumer associations which detected a far higher ratio of defects in imported goods than in home-produced products.

The Commission also claims that expenditure on advertising by the specialist trading companies which tend to handle foreign goods is usually only a fraction of that of Japanese domestic manufacturers of the same products. In only "one or two" cases have foreign manufacturers offered to help Japanese importers with advertising costs, the FTC claims.

An encouraging fact revealed in the FTC's otherwise gloomy survey is that foreign manufacturers are tending increasingly to set up wholly-owned sales companies in Japan instead of relying on Japanese (or foreign) import houses.

Wholly-owned sales companies constitute the second largest category of companies handling imported consumer goods and the FTC says the number is now increasing quite rapidly. Evidence for this is provided by the fact that 60 per cent of all new foreign investment in Japan in the year ending March 1981 was in commerce although, on a cumulative basis, commerce accounts for only 44 per cent of foreign direct investment in Japan.

Norway to lease U.S. missiles

By Fay Gjester in Oslo

A DECISION by Norway's Government to lease U.S. Hawk anti-aircraft missiles to defend its northern air bases, rather than buying the British Rapier or the European Roland, has disappointed Norwegian companies which had hoped for extensive offset orders through a deal involving either the Rapier or the Roland.

Euro-Missile, makers of the Roland, had offered contracts worth about NKr 7bn (£98.5m), while British Aerospace was said to have promised research and development contracts worth more than half the value of the missile.

The Government's decision, announced at the weekend, has been long delayed. Norway has been hesitating for more than a decade about the choice of a new missile system to defend its northern air bases. Now it has decided, pending parliamentary approval, to spend up to NKr 1.5bn on leasing six Hawk batteries, with missiles and buying the radar and other electronic equipment.

● Norway's Oil and Energy Ministry is planning to make a study of possible concealed foreign government subsidies provided to foreign manufacturers. It believes there are arrangements in some countries which enable the foreigners to under-bid Norwegian companies in competition for offshore-related contracts.

Indian engine duty may halt new car models

BY K. K. SHARMA IN NEW DELHI

THE EXISTING Indian car industry's plans to modernise its operations in collaboration with Isuzu Motors of Japan, Vauxhall of the UK and Seat of Spain could be stalled because of the government's decision to impose a duty on imported engines for the new models.

The present manufacturers, Hindusthan Motors of Calcutta and Premier Automobiles of Bombay, have sent protests against what they say is a discriminatory levy. Unless the levy is lowered, they have indicated they may be forced to abandon their plans to bring out new models to replace their existing obsolescent cars.

The protest is against the low rate of import duty of 40 per cent to be charged on engines from Suzuki Motors of Japan for a new model to be progressively manufactured in the Government-owned Maruti Udyog plant in Haryana state.

In contrast, engines imported for the new models planned by Hindusthan Motors from Isuzu and by Premier Automobiles from Seat will be charged a heavy 160 per cent duty. The decision is based on the Government's view that only engines of the capacity of less than 1,000 cc should be charged a low duty if they are fuel-efficient.

Hindusthan and Premier, the only two functioning car companies in India, plan to import engines initially for their new models which will be around 1,400 cc in capacity.

The effect of what is said to be a discriminatory levy will be to make Hindusthan's and Premier's new models more than twice as expensive as the Suzuki-Maruti and thus virtually price them out of the market.

Vauxhall is collaborating with Hindusthan in providing the design for the body of the new car in which an Isuzu engine is to be fitted. Plans were to market this next year—about the same time that the Suzuki-Maruti and the new Premier models were to be sold—but the duty structure now could mean a radical change in plans.

Pan Am to fly to Taiwan despite Peking's concern

BY FRANK GRAY

THE U.S. Civil Aeronautics Board said yesterday that it has approved an application by Pan American World Airways to operate a passenger air service between Tokyo and Taipei.

The U.S. regulatory authority added that while it was aware of published reports of Peking's concern at Pan Am serving both mainland China and Taiwan, "there has been no government-to-government complaint about the matter."

Pan Am yesterday said only that its application called for it to resume a service to Taipei it previously operated until severals years ago. It wanted to fly the route again because of commercial considerations and in order to meet competition from other airlines in the region.

Chinese authorities are understood to be angered by the Pan Am move and are said to be considering some form of retaliation. Such retaliation could threaten the U.S.-China bilateral air accord signed in the late 1970s and under which Pan Am is operating a Boeing 747 flight twice weekly into Peking out of Tokyo. The CAB said the U.S.-Taiwan bilateral air accord pre-dates its air link with China.

Pan Am intends to operate thrice-weekly 727 flights between Tokyo and Taipei beginning June 16. It has local traffic rights on the route.

The controversy is the latest sign of China's preparedness to use its international air agreements as a lever to object to Western trade links with Taiwan, which the Peking Government recognises only as being an integral part of mainland China.

Last week, it withdrew the right to use Canton airport as an alternate stopover for KLM, the Dutch carrier, in protest at recently established Amsterdam-Taipei air links and the sale of Dutch submarines to Taiwan.

The Pan Am row could affect Northwest Airlines of the U.S. which has Taipei operating rights and which was recently granted CAB approval for cargo services into China this year and passenger flights in 1984.

Political risk insurance offered by China

PEKING — China is offering new insurance coverage against political risks to encourage more foreign investment, according to the official Xinhua news agency, reports AP.

Xinhua said foreign enterprises in China, foreign investors in existing joint ventures and those planning to start business in China can apply for the new insurance.

The insurance, offered by the China International Trust and Investment Corporation (Citic) and the People's Insurance Company of China, was announced by Mr Rong Yiren, the Citic chairman, it added.

Mr Rong also said that in addition to helping run Chinese-foreign joint venutres, his corporation would help existing Chinese enterprises to use foreign funds for renovation.

It also will seek opportunities to run joint ventures abroad and to invest in foreign countries, he added. Citic has shown interest in investing in foreign iron ore, pulp and paper and certain kinds of fertiliser to help ensure stable supplies of resources that China lacks.

Michael Thompson Noel adds from Sydney: The Chinese Premier, Mr Zhao Ziyang, yesterday told the Australian Prime Minister, Mr Bob Hawke, that there was "huge long-term demand" in China for Australian bulk commodities such as wheat, wool, sugar and iron ore.

China is also thought to be keen to invest in Australian resource projects, particularly iron ore. But it is anxious to redress the trade balance between the two countries, at present almost 3-1 in Australia's favour.

Mr Ziyang arrived in Canberra Sunday for a week-long visit. Trade between China and Australia last year totalled A$1.1bn (£616m).

Lambsdorff predicts more inter-German trade

BY JONATHAN CARR IN BONN

THE West German Economics Minister, Count Otto Lambsdorff, has praised the development of trade exchanges with East Germany and says he sees prospects for further expansion.

Count Lambsdorff was speaking yesterday following talks here with the East German Politburo member responsible for economic affairs, Herr Gunter Mittag.

The minister said that inter-German trade had expanded last year by 13 per cent (to a total of more than DM 14bn (£3.7bn)—a rate of increase outpacing Bonn's exchanges with other countries.

This had been of key importance—not least in helping maintain jobs in some 6,000 West German medium-sized enterprises involved in business with the East, Count Lambsdorff said.

Despite several problem areas which he had discussed with Herr Mittag—which would be thrashed out at future meetings—both sides wanted to boost their trade and saw chances of doing so.

Economics Ministry officials expressed satisfaction at the recent accord with East Berlin under which Soviet natural gas would be supplied to West Berlin via a pipeline crossing East Germany.

They also noted there were encouraging prospects for joint projects in third countries between East and West German companies.

Somewhat to the surprise of the Bonn side, Herr Mittag did not raise "with a single word" the issue of U.S. pressure for restrictions on trade with the East.

The Xerox Marathon produced a new range of copiers every office should find room for.

THE XEROX 1020

In the course of the marathon research and development programme that produced our new 10 Series copiers, we were striving for new levels of efficiency and reliability.

But more than that, we were seeking to embody these virtues in a range of machines that would include the perfect copier for any situation.

So at one end of the scale we've produced large multi-function copiers capable of handling huge volumes of work and all the various copying operations that a big office might demand.

At the other end of the scale we produced the Xerox 1020.

The 1020 is the lightest, smallest copier we've ever made.

And yet it's robust and simple.

It produces up to eleven copies a minute as well as taking computer print-outs and other large originals up to B4.

And its five-position contrast control ensures high quality copies.

All this from a copier that fits into the space of an average typewriter.

Despite its small size the 1020 has been through the same exhaustive research programme as have all the other copiers in the range. The Xerox Marathon.

The most extensive testing programme ever mounted by Xerox.

We ran the 1020 for months on end, to see how it stood up to continual use.

We checked and re-checked every single feature.

We subjected it to demands no copier would normally be expected to meet. As we wanted any failings to be exposed in our laboratories, not in your office.

And we went on changing, modifying and perfecting, but we still weren't totally satisfied.

We took it out of our laboratories and put it into everyday use to see how it stood the pace.

We asked people who hadn't used a copier before to try the Xerox 1020 to ensure that it was easy to use.

And, even with its extremely advanced technology, it proved to be simplicity itself.

The result, a more compact, more efficient, more reliable, top quality small copier which will find a place almost anywhere in your office.

It's one of the new 10 Series range of copiers from Xerox.

The new state of the art in copyi

10 SERIES

The Xerox Family of Marathon Copie

Xerox and Rank Xerox are registered trade marks of Rank Xerox Ltd.

FREEPOST THIS COUPON TODAY. NO STAMP REQUIR

To Rank Xerox (UK) Ltd., Freepost, 22 Stephenson Way, London NW1 1YH.

Please let me have, without obligation, further information on the Xerox 10 Series Copiers.

Name

Position

Company/Organisation

Telephone Number

Address

Postcode

Type of business

24-HOUR INFORMATION SERVICE. ASK THE OPERATOR FO

FREEFONE 2279 FT201

—OR DIAL 01-380 1418—

RANK XERO

Office workers' wages up 7.5%

By Gareth Griffiths

OFFICE workers' salaries rose by an average of 7.5 per cent between January 1982 and January 1983, with the decline in vacancies gradually decelerating, says a report by the Alfred Marks Bureau published today.

In a survey of secretarial and clerical jobs the bureau found the average office salary in central London was £5,243 per year. Wages were highest in London's West End but outside London they fell sharply. The average for central London secretaries and shorthand typists was £6,200 compared with £4,300 in Cardiff.

The survey found the decline in vacancies for office staff is gradually decelerating.

Demand for operators of new equipment, particularly word processors, is increasing steadily, and experienced staff are rare, the report says.

Recession has had an effect, however, in reducing job mobility, and the trend is for workers to stay longer in jobs. The survey found secretaries in central London jobs stayed for 31 months on average.

In an office commuting survey, the bureau found more office staff are travelling further and taking longer to get to work than a previous survey's findings in 1978.

The survey of 400 women and 105 men found three-quarters of those asked considered themselves to be commuters, and 42 per cent of those commuting said it was because suitable work was unavailable locally. This figure had jumped from 30 per cent in 1978, suggesting that people have looked further afield for jobs

A third of commuters use a car to get to work while 22 per cent go by train. The worst aspects of using public transport were considered to be unreliability and overcrowding.

The Office Commuters, Alfred Marks Bureau's Statistical Services Division, ADAI House, 84-86 Regent Street, London W1. Price £24.

Demand for senior staff on increase

BY MICHAEL DIXON

DEMAND for managers and senior specialist staff is at its highest for almost 10 years, according to the latest check by the MSL executive-selection consultancy.

During January-March the demand reached 158 points on the index which, since 1959, MSL has compiled every quarter from job advertisements in the Financial Times and other relevant newspapers. The base figure is 100.

The latest figure is only one point lower than the 159 reached in 1973, shortly before the Heath Government's conflict with the miners and the three-day working week.

Further increases in job advertising in early April suggest the second quarter of 1983 could push the index into the 160s, which it has not attained since April–June 1969, said Mr Garry Long, MSL Group International's managing director, yesterday.

He added: "While demand for executives has generally been a good lead indicator of movements in the economy, there was a marked pick-up about a year ago which soon fell away again.

"The reason was possibly that some organisations found they had cut back too hard on staff earlier in the recession and were just restocking to an adequate level."

In late 1980 the index was at its lowest level of 71. The rise since then of 123 per cent to 158 points reflects a range of increases in advertised demand for the various specialist categories of senior staff.

By far the biggest rise since the last quarter of 1980 is one of 253 per cent in jobs for research, development and design people.

Advertisements for computer staff are up by 154 per cent, sales and marketing people by 136 per cent, general managers by 126 per cent and production managers by 106 per cent.

No reliable estimates of unemployment trends among higher-grade staff have been possible since the autumn, when the Government stopped requiring people losing their jobs to register with an official agency as job-hunters before they could draw unemployment benefit.

Rewards by results

PAYMENT of senior managers by results is becoming increasingly important in British companies, says a report published yesterday by management consultants PA International.

Results-based bonuses, however, are no longer related to the managers' performance against criteria mainly beyond their personal influence, such as company profits or sales in a previous period regardless of changes in the economic climate.

"Employers are generally thinking more carefully," said Mr Willie Wood, of PA's pay research department. "The tendency is to pay on how people have done against profits or sales targets which have been worked out as realistic in the prevailing conditions."

The shift towards results-based bonuses is replacing not only annual cost-of-living increases, but also benefits in kind, which became fairly common in the late 1970s, such as "company suits."

Mr Wood said: "Fringe frills like those are very much a thing of the past, at least up to a salary level of about £40,000, after which remuneration tends to become tailored to each individual's particular circumstances."

Plan for £500m convention centre

By Robin Reeves

PLANS were unveiled yesterday for an American-style international convention and leisure centre to be built on the Bristol side of the Severn estuary at a total cost of more than £500m.

The Heron Corporation, which will arrange finance, and a group of Bristol consultants, led by Design and Planning Associates, are behind the scheme. It would aim in the first instance at the U.S. and international convention circuit, valued in 1981 at well over $15bn.

It would be Europe's first international convention complex, providing accomodation, conference and trade exhibition facilities for up to 16,000 delegates at a time.

It proponents, who have already spent about £250,000 on preliminary studies, calculate that it would ultimately support up to 30,000 new jobs, directly and indirectly.

An outline planning application for the complex, covering more than 900 acres of land, was submitted yesterday to the local district council.

Assuming planning permission is granted – the project already has the active backing of Bristol city Council, which owns most of the land involved – detailed feasibility studies will follow, with the intention of beginning building work in two years' time.

Construction of the complex is expected to take up to 10 years. In addition to the conference and exhibition centre, the proposal envisages hotels, a yacht marina, commercial and light industrial/science parks, a heliport, a covered stadium and sporting facilities.

Mr Geoffrey Gomm, of Design and Planning Associates, said that the site had been chosen because of its excellent communications.

Borrowing 'likely to overshoot'

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE GOVERNMENT is more likely to overshoot its £8bn public borrowing target for 1983-84 than to undershoot it, the London Business School's Centre for Economic Forecasting said yesterday.

The centre says an overshoot would mean that the general policy stance might turn out to be more relaxed than intended.

The centre's main reason for thinking there may be an overshoot is that the contingency reserve has been considerably reduced, while at the same time the Government has reintroduced an explicit allowance for a shortfall in public spending.

The centre says that in the last financial year departments' spending fell short of targets, partly because the inflation rate was lower than expected. "This led to an unexpected reduction in some public sector costs which is unlikely to be repeated.

"Furthermore it is likely that some spending departments, having gained experience of how cash limits operate, will spend closer to their limits than they did last year.

"The switch from a contingency reserve of £2.4bn in 1982-83 to a contingency reserve net of shortfall of £500m in 1983-84 effectively assumes that control of public spending in 1983-84 will be even more effective than in 1982-83."

The centre believes, however, that this is unlikely.

It warns that policymakers in the UK and other major countries should not be lulled into a false sense of security by the recent low inflation figures and make fiscal and monetary policies too loose.

"The experience of 1978 illustrates the risks of interpreting a low inflation rate as a signal to expand demand. On that occasion prices were already rising fast by the time the monetary expansion took effect and the result was a highly inflationary boom."

Policymakers throughout the world face the same temptations, it says. "It is notable that the U.S. authorities have adopted an extremely expansionary stance. The fiscal deficit remains at record levels, and since September the Federal Reserve has been effectively ignoring its own money supply targets.

"Even when adjusted for the known distortions, the U.S. money supply shows signs of running out of control."

The business school is expecting the world's money supply to grow 9.5 per cent this year, with a consequential acceleration of inflation from an annual rate of 5 per cent to 7.5 per cent.

In its post-budget forecast for the UK economy the centre predicts that output will grow 1.8 per cent this year compared with last year, a figure which is closely in line with that of the Treasury.

It suggests that if the oil price were to fall a further 30 per cent, with a further substantial depreciation of sterling, output could grow 2.8 per cent next year.

If the authorities wanted to mitigate the adverse effects on inflation and public borrowing, however, they might have to raise interest rates and indirect taxes, which would somewhat reduce the growth rate.

A forecast published today by the Item club of business economists suggests the economy could grow at a rather faster rate than the LBS is predicting. This group, which uses the Treasury forecasting model, predicts a growth of output of 2.3 per cent this year and 2.7 per cent next year.

It believes, however, that inflation will have risen to 9 per cent by the end of 1984. The Item club agrees with the LBS that public borrowing is likely to overshoot its £8bn target this year.

Builders end standstill on tender prices

By William Cochrane

PRICES charged by builders have started to rise again after a three-year standstill, according to the Royal Institution of Chartered Surveyors.

The latest report from the institution's building cost information service shows that builders' tender prices rose by 3 per cent in the fourth quarter of last year.

The institution said that building contractors had reached the limit of their ability to absorb rises in costs without passing them on

The institution said that building contractors, sub-contractors and suppliers in the industry had absorbed an increase of 35 per cent in basic costs during the past few years.

Mr Roy Swanston, president of the RICS quantity surveyors division, said the rise in tender levels was no surprise.

Minister criticises site management at Sizewell inquiry

BY A SPECIAL CORRESPONDENT

BRITISH industry was not good at managing large construction sites, a junior government minister told the Sizewell B nuclear power station inquiry which resumed yesterday after the Easter recess.

Mr John Gummer, an Under Secretary at the Department of Employment, was making a statement to the inquiry as the MP for Eye, Suffolk. The power station, to be built in Suffolk, if approval is granted, would be Britain's first pressurised water reactor.

Mr Gummer said the Central Electricity Generating Board (CEGB) and British industry in general had a poor record on site management. This was part of the reason for failure to meet scheduled costs of many large projects.

He said he had been impressed by visiting France to see the nuclear programme. Much had been said about the French system of "bribing" a community near a large construction site by providing amenities and immunity from rates payment. But very close attention was paid to site management, to the management of people on and off the site, and to the impact of transport.

Mr Gummer said he felt strongly that site management would be the key to making the building of Sizewell B tolerable to local people if the go-ahead was given.

Mr Gummer called on the inquiry inspector, Sir Frank Layfield, to defend what he called the "mundane" interests of the people of East Suffolk. He criticised the CEGB for showing too little concern with alternative means of transporting materials to the proposed site. The board should make maximum use of rail transport.

The minister told the inquiry that, if Sizewell B was given the go-ahead, the CEGB should "bury" any proposals for building nuclear plants on Ministry of Defence land at Orford Ness, just down the coast

CEGB shake-up, Page 7

Aerospace exports over £3bn

By Michael Donne

THE UK aerospace industry last year earned a surplus on its balance of payments of over £1.[illegible]bn. Exports by the industry amounted to a record £3.11bn and imports to over £1.98bn.

The figures are influenced considerably by the civil and military international programmes in which the industry is involved. Parts made in the UK for inclusion in collaborative ventures assembled overseas are counted as exports and parts brought in for UK ventures are classified as imports.

Nevertheless, the figures demonstrated that last year the industry remained vigorous, despite the recession, which has severely depressed sales of new civil aircraft and engines.

The figures also revealed a continued heavy reliance by the industry on the sale of spares for airframes and engines first manufactured years ago.

Out of total exports, shipments of aircraft parts amounted to nearly £1.16bn and exports of jet engine parts amounted to nearly £487m.

More houses built as land prices rise

BY WILLIAM COCHRANE

SHORTAGES of land and escalating land prices in areas of high demand are big clouds on the UK house-building horizon, said a report published yesterday.

The latest state of trade inquiry by the House-Builders' Federation (HBF) shows sales of new houses up by 30 per cent in the first quarter of 1983.

House-builders expect the recovery to be maintained throughout the remainder of 1983, and almost 70 per cent of the house-builders surveyed expect to increase starts during the next 12 months.

The same proportion expected to increase on-site labour during the coming year in an industry which, according to other sources, has already added 50,000 to its workforce.

Mr Peter Woodrow, president of the HBF, said yesterday that house prices are now moving ahead more rapidly than at any time in the past two years and are expected to continue their rapid increase.

Mr Woodrow thinks, however, the rapid escalation of land prices could jeopardise the Government's plans to extend owner-occupation through its low-cost housing programme.

"The price of land in the South-East has more than doubled in the past year," he said, "and is also rising rapidly in many other areas where the market is moving now. This will inevitably fuel house price increases across the board."

Mr Roger Humber, director of the HBF, noted recently that prices in south Hampshire have doubled from £60,000 to £120,000 an acre in just over a year while prices in Bedford have quadrupled in the past few years.

● The Royal Institution of Chartered Surveyors (RICS) confirms in its latest survey that house prices are continuing to rise.

The survey, conducted among members of the RICS, shows that a majority of estate agents report rising prices, although shortages of mortgage finance are giving cause for widespread concern. More than half the agents taking part in the survey say prices rose on average by 2 per cent in the quarter ending in March.

Boom year for chocolate companies

By Our Consumer Affairs Correspondent

BRITAIN's chocolate industry yesterday reported higher sales and production for 1982 in spite of the recession.

Figures from the Cocoa, Chocolate and Confectionery Alliance revealed that production of chocolate confectionery was 9.2 per cent higher at 393,415 tonnes. In value terms this was a rise of almost a tenth to £929m. Exports rose by 8.5 per cent to 55,775 tonnes.

Higher sales were helped by fierce promotional activity by the major manufacturers as well as relative price stability. The increase in chocolate prices last year was only 1.2 per cent.

The sugar confectionery sector of the market, however, reported less buoyant results. Production was 2 per cent down at 261,485 tonnes, while sales value was 3.8 per cent higher at £418,290.

Biscuits did slightly better, with a 1.1 per cent volume rise and 4.2 per cent value increase.

UNIVERSITY COURSE FOR BUSINESSMEN GOING EAST

British get Japan sales talks

BY NICK GARNETT, NORTHERN CORRESPONDENT

DO British businessmen know the Japanese are big on nightclubs after work, and that, if you own a good voice, you should grab a microphone at the appropriate time and give them a blast of The Hills are Alive?

Do they know when etiquette permits them to collapse in a gutter drunk?

Probably they do not. That is why a Japan Business Services Unit, the first of its type in Britain to offer a broad range of help to those with the sticky task of selling to the world's best sellers, was launched at Sheffield University this week.

The unit, which draws on the resources of the university's Japanese studies centre, has been designed to make businesmen better equipped to explore Far Eastern markets. A similar service is also being offered for those trading with Korea.

Everyone seems to think the British need help. Apart from language, the home-grown businessman's biggest problem is "being scared about the myth the Japanese have built up," says Miss Rosemary Yates, the unit's business development manager and a Japanese speaker.

Sheffield is one of only four British universities – the others are Oxford, Cambridge and London (the School of Oriental and African Studies) – with a Japanese studies centre. It differs from them, however, in stressing modern rather than classic Japanese, as well as its culture's commercial and industrial aspects.

The new unit is geared to coping with most of the British businessman's problems in dealing with the Japanese – translating and interpreting, advice on when to take off your shoes and how not to make a Japanese counterpart feel uncomfortable, printing of business cards, and preparation of video films on potential export products.

Handling of chopsticks can also be put on the curriculum, but the unit reckons most businessmen learn that themselves.

There will also be assistance on more direct trading matters, such as the agencies with whom companies in different industrial sectors will need to make contact, and some guidance on the notoriously rigid Japanese product tests and specification requirements.

The unit has a full-time staff of about 10 Japanese speakers, but a further dozen back-up people in various disciplines can be called on.

Some of the full-time staff have extensive knowledge of industry and commerce. One lecturer has spent a large part of his working life in the steel industry. Another is trained in business studies and economics.

Japanese-to-English translations will cost £35 to £50 per 1,000 Japanese characters, though English-to-Japanese will be more expensive. Interpreting costs £80 for an eight hour day.

The Japanese studies centre, set up 20 years ago, has been assisting business for a number of years, but the new unit formalises and broadens that help.

It has effectively begun work with a contract to print business cards in Japanese, interpret for a group of businessmen visiting Britain, and provide advice for a company wanting to reopen negotiations with a Japanese firm which foundered because of a misunderstanding.

As with some language schools, the unit has offered a one-month total immersion language course – in this case for English-speaking employees of a Japanese subsidiary company.

The guests at the launch included Mr Kiyoshi Mimura, director-general of the Japan Trade Centre in London.

How good are British businessmen in understanding Japan and selling products there? They are as good as any in Europe, said Mr Mimura. But it would be better if they understood more of the place, worked harder at it and, in some cases, had better products.

Gold mining companies managed by

Golden Dumps
(PROPRIETARY) LIMITED

Reports of the directors for the quarter ended 31 March 1983

CONSOLIDATED MODDERFONTEIN MINES LIMITED

(Incorporated in the Republic of South Africa)

Issued share capital: R1 072 000

Divided into 21 440 000 ordinary shares of 5 cents each

OPERATING RESULTS	Quarter ended 31.3.1983	Quarter ended 31.12.1982	9 months to 31.3.1983
Underground			
Ore milled – *tons*	65 468	68 421	179 261
Gold recovered – *kilograms*	170,2	183,6	498,4
Yield – *grams per ton milled*	2,60	2,58	2,71
Revenue – *per ton milled*	R42,11	R41,12	R41,85
Working costs – *per ton milled*	R39,64	R36,98	R40,75
Working profit – *per ton milled*	R2,47	R4,14	R1,10
Revenue received – *per kilogram*	R16 188	R15 327	R15 424
– *per ounce*	$465	$423	$429
Working costs – *per kilogram*	R15 246	R13 786	R15 018
– *per ounce*	$437	$380	$418
Surface material			
Sand treated – *tons*	8 698	14 840	26 200
Gold recovered – *kilograms*	5,3	7,9	15,1
Yield – *grams per ton milled*	0,61	0,53	0,58
FINANCIAL RESULTS (R000)			
Underground			
Revenue from gold and silver	2 756	2 813	7 502
Working costs	2 594	2 531	7 305
Working profit	162	282	197
Surface material			
Profit from sands	29	34	67
Sundry revenue	142	166	447
Operating profit	333	482	711
Net interest received	114	117	360
Net profit	447	599	1 071
Capital expenditure	990	781	2 633
Available profit/(loss)	(543)	(182)	(1 562)

MINING OPERATIONS

Underground unit working costs were higher mainly as a result of lower throughput and increased development at No. 14 Shaft. The yield from underground sources was again lower owing to lack of flexibility in mining operations which will continue until the 14 Shaft ore passes are fully operational, and the development rate is increased further in order to make available additional stope face.

The throughput of surface material was affected by the construction of the crushed ore storage facility at the gold plant which temporarily prevented access to the feed bin for this material.

DEVELOPMENT

	Quarter ended 31.3.1983	Quarter ended 31.12.1982	9 months to 31.3.1983
North-East Prospect Shaft – Black Reef			
Advanced – *metres*	368	518	1 620
Sampled – *metres*	242	412	957
Payable – *metres*	40	20	123
Channel width – *centimetres*	18	25	16
Average value – *grams per ton*	106,9	133,6	147,1
– *centimetre grams per ton*	1 924	3 389	2 354
No. 14 Shaft – Kimberley Reef			
Advanced – *metres*	732	472	1 334
Sampled – *metres*	386	256	695
Payable – *metres*	76	39	156
Channel width – *centimetres*	170	214	169
Average value – *grams per ton*	4,7	6,3	5,3
– *centimetre grams per ton*	803	1 341	901

No. 14 Shaft was deepened by 7 metres (13 metres) and the waste pass was commissioned towards the end of the quarter.

Development at North-East Prospect Shaft was reduced during the quarter in order to improve the ore handling facilities. This is on-going but the development rate is expected to increase in the June quarter

CAPITAL EXPENDITURE

Capital expenditure during the quarter was mainly incurred on the gold plant where the crushed ore storage facility and the installation of a ring-feed power supply are nearing completion, North-East Prospect Shaft development and improved ore handling facilities at No. 14 Shaft.

The unexpended balance of expenditure authorised by the Board at 31 March 1983 was R1 500 000 of which some R1 000 000 is projected to 30 June 1983.

T. L. GIBBS, V. F. BLANE | *Directors*

19 April 1983

SOUTH ROODEPOORT MAIN REEF AREAS LIMITED

(Incorporated in the Republic of South Africa)

Issued share capital: R5 600 482

Divided into 1 562 714 ordinary shares of 56 cents each
8 438 145 10% automatically convertible participating cumulative preference shares of 56 cents each

OPERATING RESULTS	Quarter ended 31.3.1983	Quarter ended 31.12.1982	9 months to 31.3.1983
Ore milled – *tons*	42 384	39 321	116 502
Gold recovered – *kilograms*	203,7	146,9	476,8
Yield – *grams per ton milled*	4,81	3,74	4,09
Revenue – *per ton milled*	R76,47	R57,42	R63,11
Working costs – *per ton milled*	R54,81	R55,06	R54,67
Working profit – *per ton milled*	R21,66	R2,36	R8,44
Revenue received – *per kilogram*	R15 904	R15 381	R15 422
– *per ounce*	$456	$424	$431
Working costs – *per kilogram*	R11 401	R14 748	R13 360
– *per ounce*	$327	$407	$372
FINANCIAL RESULTS (R000)			
Revenue from gold and silver	3 241	2 258	7 353
Working costs	2 323	2 165	6 369
Working profit	918	93	984
Sundry revenue	55	54	167
Operating profit	973	147	1 151
Net interest received	74	76	225
Net profit	1 047	223	1 376
Capital expenditure	617	250	960
Available profit/(loss)	430	(27)	416

Included in working costs is an amount of R57 000 (R134 000) in respect of plant refurbishment and other non-recurrent costs which are not related to current operations.

YIELD

The significant improvement in yield is attributable mainly to good VCR values currently being encountered at Saxon Shaft which are likely to persist in the short-to-medium-term and also to generally better values on the Kimberley Reef west of Gauff Shaft.

Shareholders are advised that owing to the limited availability of alternative stoping areas there are likely to be fluctuations in yield from quarter to quarter.

DEVELOPMENT

	Quarter ended 31.3.1983	Quarter ended 31.12.1982	9 months to 31.3.1983
Ventersdorp Contact Reef			
Advanced – *metres*	1 035	770	2 409
Sampled – *metres*	268	144	598
Payable – *metres*	82	52	220
Channel width – *centimetres*	61	69	63
Average value – *grams per ton*	30,5	14,3	22,2
– *centimetre grams per ton*	1 844	983	1 399
Kimberley Reef			
Advanced – *metres*	684	382	1 518
Sampled – *metres*	—	164	286
Payable – *metres*	—	54	76
Channel width – *centimetres*	—	226	203
Average value – *grams per ton*	—	7,4	8,4
– *centimetre grams per ton*	—	1 670	1 697

A high rate of development was achieved to the east of Gauff Shaft, where reef intersections on both 2 and 6 levels are expected during the next quarter. An increase in the amount of development in the VCR area south-west of Gauff Shaft was also very gratifying.

Development at Saxon Shaft is progressing satisfactorily and secondary development on Kimberley Reef between 10 and 6 levels has disclosed encouraging values. Secondary development is not included in the above table.

CAPITAL EXPENDITURE

Development to the east of Gauff Shaft accounted for the major portion of capital expenditure for the quarter.

The unexpended balance of capital expenditure authorised by the Board at 31 March 1983 was R560 000, to be incurred mainly on development, the commissioning of an additional mill and the upgrading of accommodation for Black employees. It is expected that the bulk of this expenditure will be incurred before 30 June 1983.

C. G. FERREIRA, V. F. BLANE | *Directors*

19 April 1983

CEGB may cut 2,000 jobs in big shake-up

BY RAY DAFTER, ENERGY EDITOR

THE Central Electricity Generating Board (CEGB) is planning a major management shake-up involving the loss of an estimated 2,000 jobs.

Proposed changes in the CEGB's structure were outlined to 55,000 staff yesterday. They are likely to involve the abolition of five regional management centres. The CEGB plans a centralised operation based on the main generating technologies – nuclear energy, coal, oil and, possibly, hydro-power.

The CEGB said last night it hoped to avoid redundancies. "It is believed that we can achieve a reduction in numbers through natural wastage, redeployment – which implies a degree of staff mobility – and some voluntary severance."

The proposals, masterminded by Sir Walter Marshall, chairman since last July, would represent the biggest reorganisation undertaken by the CEGB since it was established in 1957.

The CEGB claims to be the biggest public electricity generating utility in the West with a capacity, in England and Wales, of about 57,000 megawatts.

Since its inception, however, the CEGB has seen a significant change in its generating operations. The number of power stations has been reduced from 280 to 99. In the next decade it could be operating from just 40 major sites.

The CEGB has, therefore, decided to change its management structure to one based on technology rather than geography. At present it operates through five regions – the Sout-West, based in Bristol, the North-West (Stockport), the North-East (Harrogate), the Midlands (Solihull), and the South-East (London). Every region employs about 1,000 people.

In the next four years the management teams in these regions will be phased out, although the CEGB intends to retain operational staff. Those whose jobs are most likely to be affected include managers, professional engineers, scientific officers and senior administrative staff.

The move towards a more centralised operation has already started. The CEGB is retaining its nuclear operations support group set up in 1980 to co-ordinate the regions' nuclear maintenance and repair policies.

Another co-ordinating body, the operational general management group, is also likely to stay.

Lloyd's appoints three new advisers

By John Moore, City Correspondent

LLOYD'S, the insurance market, is to pay a leading civil servant, a retired lawyer, and a senior partner of a leading firm of chartered accountants a combined £100,000 a year to advise the market on self-regulation. The appointments, for three years or more, are to be on a half-time basis.

The three men were named yesterday by Mr Ian Hay Davison, Lloyd's new chief executive.

They are:

Mr Philip Brown, 58, deputy secretary at the Department of Trade, the ultimate regulatory body of the British insurance market. Mr Brown has been responsible for the companies and insurance divisions at the Department of Trade.

Mr David Stebbings, retired senior partner of Freshfields, the solicitors.

Mr Richard Wilkes, a senior partner of Price Waterhouse, the chartered accountants.

Mr Davison said that they would form part of the main Lloyd's secretariat.

PEACE TALKS CONTINUE IN 'CLEANING-UP TIME' DISPUTE

BL strike leaders stand firm

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

STRIKE leaders at British Leyland's Cowley plant delivered the clear message to their national union leaders yesterday that the peace formula so far offered by the company falls far short of their demands.

Mr Grenville Hawley, national automotive secretary of the Transport and General Workers' Union (TGWU), emerged from more than three hours of talks with local union officials and shop stewards to announce "more hard bargaining" was necessary before there was any possibility of a solution to the strike which has halted Cowley production for more than three weeks.

Negotiations re-open in London today between Mr Harold Musgrove, the Austin Rover chairman, Mr Moss Evans, the TGWU general secretary, and Mr Terry Duffy, president of the Amalgamated Union of Engineering Workers (AUEW).

Talks had been adjourned on Monday to allow the unions to sound out shopfloor opinion.

Union hopes of any significant concession from a management which has taken a consistently tough line over the abolition of cleaning-up time, must be fading. The company has merely suspended the threat to dismiss strikers who do not report back to work, pending the outcome of negotiations.

Fewer than 2,000 of the 5,000 strikers at the Cowley assembly plant attended a mass meeting early yesterday but voted overwhelmingly to continue the strike. They were given no details of the company's latest offer.

Later Mr Hawley and Mr Ken Cure, the national BL negotiator for the AUEW, outlined details of the company offer to the 68-strong shop stewards' committee. The proposals mark only a slight shift from an offer already rejected overwhelmingly by the strikers.

Austin Rover has offered to delay the abolition of cleaning-up time until May 16. On that day the factory would be granted audited plant status – a move that would lift the present ceiling on bonus earnings from £18.75 a week to £30.

No vote was taken by the shop stewards but they voiced their objections. Mr David Buckle, leader of the plant level negotiations, said: "Our national leaders now know for themselves the extent and depth of shopfloor feeling about the way they are treated by a dictatorial management."

Smith's plans £12m expansion

BY MAURICE SAMUELSON

SMITH'S Containers, a privately-owned packaging company, plans to double its workforce to 500 at its two Northamptonshire sites through a £12m expansion programme over the next two years.

Smith's, a leading supplier of plastic bottles and jars, also claims the expansion will double its present £10m a year turnover by the end of 1984 and hit a target of £25m in the following year.

The first phase is construction of a new factory at Smith's 60-acre site at Rushden. The factory, costing £1.25m and containing £5m worth of new plant, is due to begin production before the end of this year.

The company claims it will be "the largest and most up to date computer-controlled plastic stretch blow factory in Europe."

Another £6m will be spent on machinery at existing factories.

Mr Eric Smith, chairman, says he aims to make his company the UK leader in its field. He adds, "We will continue to fund our investment programme based on growth and profitability."

Smith's makes a wide range of plastic containers and closures for the food, distilling, soft drink, oil, chemical, detergent and pharmaceutical markets.

Economy should now grow gradually, says Treasury expert

BY MAX WILKINSON

THE PROSPECT of modest growth in the UK economy now looks reasonably solid, Mr Terry Burns, the Treasury's chief economic adviser, said yesterday.

He told a conference of businessmen in London that in view of the continuing high real level of interest rates, he would not expect growth in the world as a whole to be particularly strong. "Modest growth with some fluctuations must remain a central estimate."

Demand in the UK economy, he said, had grown quite strongly in the last 18 months and he expected this trend to continue. Housing starts which rose by 20 per cent last year were sharply up again in January and February and consumers' expenditure was running at 2 to 3 per cent above the levels of a year ago.

There were also encouraging signs of increased expenditure by companies. Investment outside the manufacturing sector had risen and was expected to continue to improve, while investment within manufacturing was expected to stop falling by the end of this year. There was also evidence of a better balance of stocks in industry.

Mr Burns told the conference, organised by the Confederation of British Industry, that, on the supply side, there had been significant improvements to productivity, profitability and to the UK's international competitiveness. Even though the Treasury was taking a cautious view of trade prospects, Mr Burns said: "The prospects for output, I think, look reasonably solid."

Mr Burns said he expected the underlying pressure on inflation to continue to be downward, although the annual rate might show some rise later this year. He saw little risk at present of a resurgence of worldwide inflation as a result of increases in economic activity or any major relaxation of financial policies.

However, he warned: "We have seen the consequences of failures to bring fiscal and monetary policy into line – high budget deficits leading to severe inflationary pressures, if not accompanied by sound monetary policies, and unacceptably high real interest rates if a firm monetary regime exists."

Mr Burns said it was wrong to believe that recovery could not get underway without a relaxation of fiscal policy. One of the interesting features of the UK at present was that a substantial increase in demand was taking place at a time when fiscal policy remained tight when conventionally measured.

Firemen expected to call protest strikes

BY JOHN LLOYD, LABOUR EDITOR

THE FIRE Brigades Union seems certain to call a series of one-day strikes in protest against a 4 per cent increase in firemen's pension contributions.

The FBU executive yesterday rejected a compromise deal, which would phase in the rise in two 2 per cent stages, on May 1 and November 1. This would raise the contributions from the present 6.75 per cent to 8.75 per cent from May and 10.75 per cent from November.

The compromise deal, first suggested by local authority employers on Monday, was endorsed yesterday by Mr William Whitelaw, the Home Secretary. A House of Commons written answer on the issue is expected today.

The union had already decided to call lightning strikes, without warning or emergency cover, over the earlier proposal to raise the contributions in one 4 per cent increase. Mr Bill Deal, the FBU president, said last night that soundings among the membership showed strong support for industrial action on the issue.

Mr Deal said that the FBU had received advice from the City of London actuaries Bacon and Woodrow that there was no need for an increase in pension contributions, as the present level ensured adequate funding. He claimed the extra 4 per cent would leave the average fireman £6 a week worse off.

Paint makers to fight new proposals on lead

BY CARLA RAPOPORT

THE UK paint industry intends to object strongly to the recommendation that the level of lead in paint for household use be uniformly reduced by more than 90 per cent from its present level.

The industry, which has sales of around £750m, claims such a reduction would be extremely costly to achieve and would provide a negligible benefit to the community.

This week's report of the Royal Commission on Environmental Pollution recommends that lead levels in household paints be brought into line with those laid down by U.S. regulations. These allow 0.06 per cent of soluble lead in paint accessible to children.

Paint manufacturers in Britain are presently reducing their lead levels to 0.5 per cent by volume to conform with other EEC countries.

The industry's trade association will meet Government officials on Friday to discuss this recommendation and seven others contained in the report. The association says it broadly welcomes the other recommendations, which are largely concerned with further research into the effects of lead in paint.

Mr Michael Levete, managing director of the Paintmakers' Association, yesterday said the proposal to reduce lead in household paints to 0.06 per cent was "ludicrous." He said: "The U.S. experience with the regulation shows it is a nonsense."

The U.S. trade association for paint confirmed yesterday that several painted surfaces in the home are excluded from the U.S. regulations, including radiators, various kinds of furniture, and kitchen appliances. These surfaces could not accept paint with the reduced lead levels or were considered sufficiently resistant to a child's teeth.

At least three children a year die in the UK from eating flaked paint containing lead. In almost all these cases, however, the paint was manufactured before 1945.

The Royal Commission's recommendations do not specifically recommend a reduction in the lead content of paint on toys from the current 0.25 per cent level.

Embargo insurance ends

FINANCIAL TIMES REPORTER

BRITISH exporters are no longer able to insure themselves against losses caused by U.S. economic embargoes.

The Export Credits Guarantee Department (ECGD) confirmed yesterday that it had advised exporters, in the wake of the U.S. Siberian gas pipeline embargo, that it could not meet claims arising out of such action in future.

The ECGD took this step last summer but the move was not publicised. It appears to have been made on commercial, not political, grounds.

The department's decision has a bearing on the controversy now building up around the U.S. Administration's efforts to tighten enforcement of export controls, particularly on technology transfers to the Soviet Union.

American companies are pressing for insurance against losses caused by future embargoes, but the U.S. Administration is resisting

Mr Lionel Olmer, Under Secretary at the U.S. Department of Commerce, has said that such insurance would be extremely difficult to administer

Award for FT assistant editor

MR RICHARD LAMBERT, assistant editor of the Financial Times, based in New York, has been awarded the Wincott Award "for outstanding achievement in economic and financial journalism during 1982."

Previously financial editor of the paper, Mr Lambert joined the Financial Times in 1966.

The award was made by the trustees of the Wincott Foundation, which commemorates Mr Harold Wincott, who died in 1969. It was presented yesterday by Mr John Fairbairn, chairman of the M & G Group.

June date set for by-election

THE CARDIFF North-West by-election will be held by June 2, unless a general election intervenes, the Government said yesterday.

Mr John Biffen, the leader of the House, was forced to name the date in the House of Commons yesterday by Plaid Cymru, the Welsh nationalist party. But he refused to bow to pressure from Plaid for a poll soon after the local government elections in May.

The timing gives little guide to the date of the next general election.

TWA to the USA this summer at less than last year.

TWA regular schedule service at lower fares.

Here's the best news you've ever heard about transatlantic fares: TWA APEX fares to America will be cheaper this summer than they were last summer.

What other holiday can offer that? How many other things can you think of that have even stayed the same price, let alone gone down?

Book ahead for scheduled flights and guaranteed fares

These TWA fares are for regular scheduled flights. You get all TWA's famous full service, in the air and on the ground—like three choices of meals in flight. Better still, buy now and the fare is guaranteed.

See more US for less

When you've bought your TWA transatlantic fare you can also purchase a special TWAirpass for any four US inter-city flights for just one fare: £239†. Any four.

See your TWA Main Agent

TWA Main Agent

He's got full details. You can book now and make sure of your place in the fare bargain of the century.

You're going to like us TWA

†Valid for travel commencing before 30th June. All fares correct at time of going to press. Some fares carry small extra charge for travel Fri.-Sun.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Why BP's biotechnology sale found no takers

BY DAVID FISHLOCK

BRITISH PETROLEUM is acknowledging defeat—for the second time in six years—in its efforts to sell one of the world's most advanced biotechnologies. The first time, it failed to sell the product and abandoned a process in which it estimates it has invested over £100m at 1981 prices.

The latest failure is in selling the "intellectual property" amassed as a result of that investment. "Had it been ours, we'd have burnt the lot," some companies have advised BP.

Yet the company believed it was offering to a world in which biotechnology has suddenly become fashionable "a flying start," through a unique library of its experience in developing a continuous process which in the 1960s experts said was impossible. The price tag it placed on about 20 years of experience of both process and product was £100,000. Two years later it has still found no takers.

David Llewelyn, a chemical engineer who has lived with the BP single-cell protein process for two decades, talked BP management into the attempt to market the intellectual property associated with the process. He overcame the BP board's resistance following its decision to abandon the process in 1977. So strong was the reaction, according to one senior BP executive, that for a while it was impossible to raise the subject of biotechnology at board level.

Neat way

The original discovery, of micro-organisms that fed on particular constituents of crude oil and multiplied to produce a protein-rich "biomass," was made in a BP laboratory in France. Initially, it promised to be a neat way of removing the wax from certain crudes and thus raising its value as fuel.

So in 1963, David Llewelyn was asked to take charge of a discovery which was exciting corporate interest for two different reasons. In addition to taking unwanted constituents out of crude, it promised to yield a protein-rich animal feed for a world which in the early 1960s was being told it was facing an acute shortage of food.

Llewelyn set up central co-ordination for corporate interests in the new technology at BP's research centre at Sunbury, while the company complemented the French R and D effort with a parallel programme at Grangemouth in Scotland.

The company aimed from the outset at very large scale operations. Such large-scale biotechnology processes as existed in the 1960s—for example, for antibiotics—were all batch operations. Both academics and process plant manufacturers were highly sceptical of BP's ambitions to operate such a process continuously.

The science of nutrition was also at a primitive stage in the 1960s, with much talk of "first-class" and "second-class" protein but little understanding of the differences. These differences lie in the spectrum of amino acids they contain. BP was aiming for "first-class protein."

But one important decision it took was not to test its own product for nutritional value and toxicity. Instead, it elected to have this work done mainly by Dutch research centres. This led to a 15-year relationship with the Central Institut voor Voedingsonderzoek, a laboratory of the Dutch State Technical Organisation (TNO).

The French and British process R and D programmes diverged into two separate routes. The French process, known as the gas oil route, was developed to the stage of a production plant of 17,000 tonnes per year output, based on gas oil from the nearby BP refinery at Cap Lavera, which was de-waxed by the process and returned to the refinery.

The British route, known as the n-paraffin route, was developed to the stage of a demonstration plant of 4,000 tonnes per year output. It used medically pure "liquid paraffin" as its feedstock.

Both routes bred yeasts, a single-cell plant, by continuous fermentation, BP christened its products Toprina; a rich mixture of amino acids intended to supplement animal feeds.

To bring Toprina to this stage of development by the 1970s, BP had recruited from scratch a major scientific effort. As Llewelyn sees it, "BP was riding the crest of an emotional bandwagon." The scale of its commitment encouraged many other petrochemical groups—ICI, Shell, Exxon, Hoechst among them—to enter the field.

But so confident was BP of the soundness of both its novel technology and its market that its next step was a big one. In the early-1970s it began discussions with ANIC, part of ENI, the Italian state oil company, on a joint venture in Italy using the n-paraffin route from Grangemouth. ENI had a feedstock rich in n-paraffins. Favourable government loans made the project look particularly attractive.

Found faults

A plant to make 100,000 tonnes of Toprina a year was designed and built at Sarroch in Sardinia for Italproteine, a jointly-owned subsidiary of BP and ANIC. At 1981 prices, it cost £80m. ANIC invested the cash, BP the "intellectual property" it had gathered from about 15 years developing the process and evaluating the product.

The plant was engineered and built by Foster Wheeler Italiana. It was commissioned late in 1976 but never went into production—the Italian authorities refused to license it. Britain, France, the EEC, the UN all gave unqualified approval to Toprina's safety. But Italian scientists kept claiming to have found faults. BP alleges that this was because no toxicity testing was funded in Italy.

By 1976 other factors had moved against Toprina, however. Soya, the staple with which it competed for animal feeds, was not rising in world price as the oil companies confidently expected. Plant science was transforming a once-exotic crop into a much hardier one, capable of being grown even in Europe. Oil, on the other hand, was soaring in price.

"The BP board took the most courageous decision it could," Llewelyn asserts. In 1977 it simply abandoned the entire Toprina venture. The Italproteine plant was made over to ENI as part of the settlement.

The emotional wrench the company suffered prevented much from happening for 18 months after the decision, although many of the best people left quickly for other biotechnology ventures or other parts of BP, Llewelyn says. He himself was seconded to Iran to advise on UN feeding schemes.

But Sunbury wanted loose ends in the science of Toprina tidied up, including completion of the Dutch feeding trials on 33 generations of rats, which continued for 18 months after the decision to abandon. All files from the widely scattered project were shipped to Sunbury where Llewelyn was asked to "make something of it." This included disposal of facilities designed and built specially for R and D, such as a variety of continuous fermenters, and associated processing plant.

Just how finely tailored biotechnology must be to the idiosyncrasies of the living organisms it is breeding Llewelyn was soon to discover. Much of the carefully crafted stainless steel equipment had to be scrapped as unsaleable. BP took the view it must sell only to reputable customers, because of the risk that it might find its way to ill-intentioned people wanting to breed pathogenic organisms. University College, London, and Warwick University received handsome gifts of equipment but very little was sold.

ENI had the same problem with the Italproteine plant. The compressors—transportable items representing perhaps 7.5 per cent of capital cost—were sold to the USSR. But the continuous fermenters were highly specialised. A Hamburg company considered having them floated round Europe then concluded they could not be adapted. Another considered using the plant where it stood to make a pharmaceutical—"we put a terrific effort into this"—only to come to the same conclusion.

Despite such disappointments, Llewelyn remained convinced of the intrinsic value of BP's biotechnology. He persuaded the company that if only the know-how could be packaged in a readily accessible "library", it would have a valuable product to market.

Ashley Ashwood

David Llewelyn and "intellectual property": no buyers emerged for 20 years' experience priced at £100,000

He spent a year on the project, writing a four-volume library of BP's experiences with Toprina, based on 1,400 reports and working documents drafted in all four countries engaged in the project. He standardised the language (English), jargon and symbols. The know-how goes beyond Italproteine, to a more advanced project prepared for Bioproteinas de Venezuela, for which Stone and Webster had begun detailed engineering. The library includes over 100 standard analytical methods developed by BP for the process, never published before.

BP offered its know-how for sale in January, 1981, at £100,000 per library—1,000th of its own investment. Llewelyn himself undertook a world tour of the companies with which BP had been discussing Toprina in the 1970s. Long discussions were held with the Russians, the Japanese, the Taiwanese and with Krupp in West Germany.

Appreciate

"While we got a lot of interest, we found that while the technical people knew what we were talking about, their managements could not see how buying information could save them money." He simply could not get them to accept his case that "the amount of money you can save by knowing what not to do is tremendous."

Plant contractors, on the other hand, appreciate the value of the BP bio-library but they tell him they could justify spending £100,000 only if someone wanted them to build a protein plant.

Some have shown interest in buying part of the library but Llewelyn admits that he edited and elaborately cross-referenced it as a complete package and it would need another massive editorial effort to unpick the package.

Alan Thornhill, technical sales manager responsible for the project, who employs David Llewelyn—now retired—as his consulting engineer, has no doubt that "we have really gone out of our way to sell it." He believes the big error was timing. They made their big effort in 1981, before biotechnology had really caught the stock market's imagination, and while single-cell protein was still "a dirty word."

Hard going for ICI

ICI IS the only surviving manufacturer of single-cell protein among the non-Communist world's major petrochemical groups. Instead of oil, it uses North Sea gas as its feedstock, first converting to methanol. Its continuous fermenter at Billingham—the world's biggest—makes about 45,000 tonnes a year of bacterial protein. It harvests the whole microbe, which it sells as a premium-priced additive at two times or more the price of soya for fish, calves and piglets.

But ICI admits that Pruteen, as the product is called, has failed to prove the "cash flywheel" which it was hoping would sustain R and D in other biotechnology processes. By 1982, it had invested about £70m, it estimates.

ICI has given no indication of building a full-scale plant. Rob Margetts, research director of its Agricultural Division, and the man responsible for Pruteen, says the fermentation stage still has considerable development potential. Both ICI and its contractor, John Brown Engineering, have recently received Department of Industry grants for further developments of Pruteen fermentation.

ICI is also responding to recent approaches by other countries for access to its Pruteen technology. It is having discussions with the USSR and the Arab countries about the possibility of transferring technology for use in production-scale plants.

Management abstracts

Lighting affecting visual display units. H. Hahn in bit (Fed. Rep. of Germany), October 1982 (in German, English version available).

Considers how room lighting affects workers at VDU work stations and how contrasts between screen and vouchers further affect the issue.

Switching premises without pitfalls. M. Gordon in The Director (UK), October 1982.

Lists some of the points which need to be considered when moving premises—in order to avoid over-runs in time or cost; points to benefits from professional assistance.

Banks' hidden reserves. G. Fulton in The Accountant's Magazine (Scotland), October 1982.

Traces the origins of the exemption of the banks from full "true-and-fair" reporting; sets out the criticisms of this practice (but acknowledges that exempt accounts are so irrelevant to investors' decisions that they are unlikely to mislead); points to the pressures for reform, and calls for inner reserves to be outlawed.

The Industrial Relations of Work Sharing. P. Blyton and J. Benson in Industrial Relations Journal (UK), autumn 1982.

Examines some of the IR implications of work sharing, looks at the attitudes of government/unions/employers and questions the ability of traditional negotiation/consultation machineries to develop and implement work-sharing initiatives—seeing government's role in establishing a general policy as crucial. A linked article reports Australian union attitudes, indicating general lack of interest and understanding despite perceived advantages.

Trade shows. A. Konopacki in Industrial Marketing (U.S.), July 1982.

Tells how to set quantified objectives for trade shows and how to identify and record promising sales leads, then advises to follow-up quickly (most exhibitors don't) after the show.

Helping labour and management. J. R. Stepp and others in Monthly Labor Review (U.S.), September 1982.

Shows how mediators can help improve unhealthy management/labour relations by making an accurate analysis of the situation, and prescribing remedies. Places emphasis on the need to diagnose the level of trouble, pointing out that corporals in opposing armies cannot "wage peace," however desirous they may be of achieving it.

Hewlett-Packard office systems talk business sense.

Big business computers are usually much too busy to chat to ordinary office people. A Hewlett-Packard computer makes a career of it. Whatever big batch jobs it may be running, it always has time to converse with business people in the language of their jobs.

Your way of seeing problems

You'll be reassured at the way an HP computer shows sales trends and market shares the way you want them – as graphs and pie charts.

You'll like the way you can go straight to the data you need (no more, no less) and instantly call up a report, presented in a form you can use.

And you'll especially appreciate the benefits of sharing the same information sources as other departments – like the warehouse and production shop. HP computers speak *their* language too, remember. So decisions *you* make will be soundly based on comprehensive situation reports.

However, you'd be wrong to think of an HP computer as just a high-powered decision-making tool. It's also a remarkable medium for day-to-day office communication and organisation.

With HP Interactive Office software, you have what it takes to manage your word processing, your electronic mail, your filing, your telex and your in-house printing.

HP computers talk business in everyone's language.

Your way of talking business

And with commands like 'intray', 'file', 'send'...and 'HELP!' nobody's going to need language lessons.

HP business computers are a complete family of compatible systems – one-user systems...one-hundred user systems. Big enough to run a business on. Approachable enough to confide in.

Find out how Hewlett-Packard computers could bring solutions to the place you work. Post the coupon to: Hewlett-Packard Ltd, Winnersh, Wokingham, Berks., RG11 5AR. Tel: Wokingham (0734) 784774.

HEWLETT PACKARD

Send to: Hewlett-Packard Ltd, Winnersh, Wokingham, Berks., RG11 5AR.
Please send me a copy of The Interactive Office Brochure. ☐
Please phone me to arrange a meeting ☐ FT20/4
Name
Position
Organisation
Address
Postcode
Tel No. Ext.

BASE LENDING RATES

A.B.N. Bank	10 %	Grindlays Bank	‡10 %
Al Baraka International	10 %	■ Guinness Mahon	10 %
Allied Irish Bank	10 %	■ Hambros Bank	10 %
Amro Bank	10 %	Heritable & Gen. Trust	10 %
Henry Ansbacher	10 %	■ Hill Samuel	§10 %
Arbuthnot Latham	10 %	C. Hoare & Co.	†10 %
Armco Trust Ltd.	10 %	Hongkong & Shanghai	10 %
Associates Cap. Corp.	10 %	Kingsnorth Trust Ltd.	12 %
Banco de Bilbao	10 %	Knowsley & Co. Ltd.	10½%
Bank Hapoalim BM	10 %	Lloyds Bank	10 %
BCCI	10 %	Mallinhall Limited	10 %
Bank of Ireland	10 %	Edward Manson & Co.	11½%
Bank Leumi (UK) plc	10 %	Midland Bank	10 %
Bank of Cyprus	10 %	■ Morgan Grenfell	10 %
Bank Street Sec. Ltd.	10½%	National Westminster	10 %
Banque Belge Ltd.	10 %	Norwich Gen. Tst.	10 %
Banque du Rhone	11 %	P. S. Refson & Co.	10 %
Barclays Bank	10 %	Roxburghe Guarantee	10½%
Beneficial Trust Ltd.	11 %	Royal Trust Co. Canada	10 %
Bremar Holdings Ltd.	11 %	Slavenburg's Bank	10 %
Brit. Bank of Mid. East	10 %	Standard Chartered	‖10 %
■ Brown Shipley	10½%	Trade Dev. Bank	10 %
Canada Perm't Trust	11 %	Trustee Savings Bank	10 %
Castle Court Trust Ltd.	10½%	TCB	10 %
Cayzer Ltd.	10 %	United Bank of Kuwait	10 %
Cedar Holdings	10 %	Volkskas Intl. Ltd.	10 %
■ Charterhouse Japhet	10 %	Westpac Banking Corp.	10 %
Choulartons	11 %	Whiteaway Laidlaw	10¾%
Citibank Savings	¶10 %	Williams & Glyn's	10 %
Clydesdale Bank	10 %	Wintrust Secs. Ltd.	10 %
C. E. Coates	10½%	Yorkshire Bank	10 %
Comm. Bk. of N. East	10 %		
Consolidated Credits	10½%		
Co-operative Bank	*10 %		
The Cyprus Popular Bk.	10 %		
Duncan Lawrie	10 %		
E. T. Trust	11 %		
Exeter Trust Ltd.	11 %		
First Nat. Fin. Corp.	13 %		
First Nat. Secs. Ltd.	13 %		
Robert Fraser	11½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6.75%, 1-month 7.00%. Short-term £8,000/12-months 9.35%.
† 7-day deposits on sums of: under £10,000 6¾%, £10,000 up to £50,000 7¼%, £50,000 and over 8½%.
‡ Call deposits £1,000 and over 6¾%.
‖ 21-day deposits over £1,000 7¼%.
§ Demand deposits 6¾%.
¶ Mortgage base rate.

This announcement appears as a matter of record only

FIAT

FIAT TTG

Saudi Riyals 80,000,000

FIXED RATE CREDIT FACILITIES

Arranged by

BANQUE DE L'INDOCHINE ET DE SUEZ-ITALIA SPA - INDOSUEZ — SAUDI AMERICAN BANK

Partecipating Banks

BANQUE INDOSUEZ — ISTITUTO BANCARIO SAN PAOLO DI TORINO

Funds Provided by

SAUDI AMERICAN BANK

March 1983.

ORGANISATIONS REQUIRING BASES IN SINGAPORE AND HONG KONG

- Expatriate Management
- Prestigious Offices
- Telex and Telephone
- Word Processing
- Market Research
- Marketing
- Local Introductions
- Secretarial Services
- Computerised Accounting
- Commercial Documentation
- Company Incorporations
- Financial Management

CPA2 CONSULTANTS PTE. LTD.

11 Dhoby Ghaut — 2904 Wing On Centre

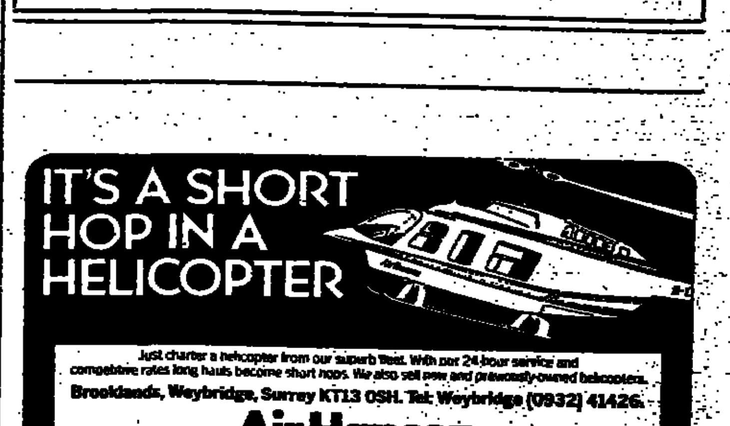
N. Z. FOREST PRODUCTS LIMITED

U.S. $25,000,000 9⅝% BONDS DUE 1986

In accordance with Condition 4 (a) (iv) of the Bonds, Bondholders are hereby advised that in the 12 months to 15th March 1983 the aggregate principal amount of Bonds purchased and cancelled was $1,800,000 and no deficiency is carried forward to the 6 month period ending 15th September 1983.

N. Z. FOREST PRODUCTS LIMITED

IT'S A SHORT HOP IN A HELICOPTER



Brooklands, Weybridge, Surrey KT13 0SH. Tel: Weybridge (0932) 41426.

Air Hanson

The shortest distance between two points.

THE ARTS

Television/Chris Dunkley

The World of Sport—a Grandstand view of Britain's two nations

Once upon a time, a quarter of a century ago, the BBC was believed to supply middle class television while ITV catered for the working class. It was rarely stated as baldly as that of course, yet there was surely little doubt about it: before the days of commercial competition BBC television meant chamber music, serious plays and Richard Dimbleby with *Panorama*. When they were feeling really playful they screened *Animal, Vegetable, Mineral* in which archaeologists and professors discussed fossils and curios. The character of the BBC was typified by announcers McDonald Hobley and Sylvia Peters whose accents were indistinguishable from the Royal family's.

ITV arrived like a fish and chip van at The Connaught: the game shows *Take Your Pick* and *Double Your Money* and the variety spectacular *Sunday Night At The London Palladium* were presented by Michael Miles, Hughie Greene and Tommy Trinder, who did not sound a bit like the Queen. Those series combined with commercial television's comedy programmes such as the cheerfully plebeian *Army Game* captured about 70 per cent of the audience—frightening the BBC as never before or since.

In response Auntie set out determinedly to learn how to make popular programmes and fight to hold at least half the audience to sustain the credibility of her claim to the licence fee. ITV simultaneously set out in the other direction, seeking to capture some of the kudos accruing to the BBC from its arts and current affairs output.

It is received wisdom nowadays that this swapping of clothes has gone so far that there is no longer any trace of class distinction between the two services. ITV regularly wins the Prix Italia, the most prized European television award, in the music and arts category which the BBC has never managed. Conversely the BBC produces a succession of shamelessly coarse and ribald comedies from *Steptoe and Son* to *Are You Being Served?* which would have been unthinkable under Lord Reith.

The rise in the reputation of ITV's *News At 10* has coincided precisely with the decline of the BBC's *Nine O'Clock News*, once the very touchstone of Corporation values. With BBC game shows now winning higher ratings than ITV's, with ITV's current affairs series *Weekend World* quoted more than *Panorama* in the quality Press, and with BBC breakfast television providing an object lesson for the commercial chaps in how to go down market and capture the ratings, there are surely no class differences left between the two sides. And yet . . . .

Watching sport for nine and a half hours last Saturday (4 hours 50 minutes live of ITV's *World of Sport* followed by 4 hours 40 minutes of BBC's *Grandstand* on tape, the week's longest unified programme strands, and technically very impressive in their deployment of resources, their switching from location to location, and the smoothness with which it is all handled from the studios suggested that in this area, at any rate, astonishingly little has changed: most of the old differences are still there.

Of course the standard criticism tends to be precisely the opposite: that there is nothing to choose between them and that the public is ill served by such an example of Hobson's choice on one of only two afternoons that the viewer generally has free. But such complaints tell more about the complainants' dislike of sport in general than about any serious attempt to compare the two programmes. The fact is that from such small matters as the opening titles to such large matters as the sports covered, many of the old distinctions seems to have survived intact.


Dickie Davies (far left) and David Coleman (far right): similar but different

True the two presenters, David Colman for the BBC and Dickie Davies for ITV, are remarkably similar in some ways: they both wear grey suits and toning tie and hankie sets and as it happens both have twin sons. Moreover they are both extremely good at their jobs which can become horrifically complicated when the words on the paper in front of them, the words in their earpieces, the words on the autocue and the words they need to lead us into the next item all happen to be different. Yet there is something about Davies—the moustache, perhaps, or the fat Windsor knot, or maybe the too ready smile—which whispers "commercial traveller."

The credits which superficially seem near-identical assemblies of quick-cutting scenes from various sports prove on close analysis to be tellingly different: the BBC's emphasise speed and grace whereas ITV's emphasise violence with a ski jumper crashing, a car crash, and soccer players crashing together.

Both programmes include extensive soccer news and both feature horse racing, though this week ITV was denied its Thirsk coverage by an internal ITV dispute. Even with racing there are intriguing differences in style: it is the BBC which employs that smoothest of all commentators, Peter O'Sullevan, the man with the belt-fed larynx, and ITV which in addition to the usual presenter and commentator employs a special "man of the people" type, down among the punters. Last week he appeared in pork pie hat, tweed cloak and tinted glasses striving with embarrassing intensity to be "a real character."

It is with the week's featured sports, however, that the distinction becomes most obvious. ITV's first major feature was motorcycle racing at Donington, starting with the most hair-raising event that I have seen in 23 years as a motorcyclist: Round 1 of the Yamaha Pro-Am series with a couple of dozen teenage riders going for glory on matched production machines.

Some dozen or so contestants just behind the leaders rode the entire race within arms' widths of one another, a practice which is horribly dangerous yet undeniably exciting. The last thing we needed was one of those hyterical commentaries like a *Monty Python* parody, but that is what we got of course. "And this is a race where you wanna be first or last but not in the middle" shrieked Chris Carter unnecessarily. Champion rider Barry Sheene beside him sanely muttered "I'd rather be in the pits."

Meanwhile the BBC was going over to its own first feature, the Badminton Horse Trials, where Raymond Brooks-Ward was informing us in a McDonald Hobley voice that "Mary Gordon-Watson had a corking fall there on The Great Speculator." We saw Princess Anne's husband come unstuck at the Pigsties, innumerable Sloane Rangers being dumped on their jodhpurs, and more Barbour jackets, green wellies and Volvo Estates than you could shake a stick at — awfly awfly old school BBC.

You could hardly invent a greater contrast than ITV's next featured "sport": all-in wrestling from Haslingden. From the referee's jacket quartered in red white and blue sequins to the familiar credulous commentary of Kent Walton it was about as vulgar as you could get. ITV's other event was the New York State Firemen's Competition which involved racing dragster fire tenders, hitting targets with hoses, and a bucket-chain race: knockabout spectacle of the *Jeux Sans Frontieres* type rather than sport.

The BBC's other feature was the start of what has become one of the major sporting events of the television year: the World Professional Snooker Championship. It is of course played mostly by young men from working class backgrounds and the event could scarcely be more commercial. Yet snooker has somehow managed to retain, right through the postwar doldrums and into a new golden age, something of the atmosphere of the offices' mess in the days of the Raj.

Indeed I suspect that one of the main reasons for its huge popularity is the gentlemanly way in which it is played: with tennis now ruined by the tantrums of millionaire tots, cricket played in fancy dress, soccer providing more action on the terraces than the field, and the awful news about rugby union, snooker despite its professionalism is becoming the last haven of the English sporting ideal with its skill, length, calm, concentration and good manners.

No doubt ITV would love to develop something to challenge the popularity of the BBC's *World Snooker*, but instead it is succeeding mainly in pointing up those old distinctions with *Shoot Pool!* which is currently being tried in the London ITV region, a dreadfully common little hole-in-the-corner affair. . .

The Carmelites/Covent Garden

David Murray


Alastair Muir
Regine Crespin

This lovely revival of Poulenc's *Dialogues des Carmélites* is sung in English, like the performances of 20 and 25 years ago. As the original title suggests, the opera is full of thoughtful conversations which the audience must be able to follow; some small graces of Poulenc's fastidious word-setting are lost, but there is full compensation. The producer and designer, Margarita Wallmann and Georges Wakhevitch, have returned to touch up their original work (both were involved in the La Scala première in 1957, too), and if anything the action flows more naturally and persuasively than it did in those early performances.

It follows the fortunes of a community of Carmelite nuns during the French revolution, and in particular young Sister Blanche, a pathologically timid girl from a noble family. There is no "romantic" by-play whatever: only Blanche's shy anxieties, and sensible discussions about the spiritual life (while outside, Revolutionary hostility to these enclosed orders grows more menacing), and at the end an ascent to the scaffold by all the remaining Sisters.

They sing a "Salve regina" while their voices are cut off one by one—a theatrical trick worthy of Sardou, but terribly affecting with Poulenc's haunting chant. (It is the fate of the opera that one stage nun will always be too late for her own beheading, still visibly climbing when we hear the crash—strictly marked in the score—of the fatal blade: so it was on Monday.)

The limpid music sets the voices always to the fore; the orchestra sometimes has a stained-glass radiance, but scarcely any material of its own. Poulenc declared his great debt to Mussorgsky and Debussy, but even *Pelleas* seems Wagnerian compared to *The Carmelites*. The quintessence of late Poulenc harmony is here—grave and potently tender, with cadences that can quite unstring the susceptible. Michel Plasson conducts with acute sympathy, though on the first night he missed something of the characteristic Poulenc steadiness; languishing *rallentandi* are quite unnecessary. The orchestra had lapses in concentration.

The opera is beautifully cast. Felicity Lott was an inspired choice for Blanche, bringing a saving quickness and energy to the role as well as the expected floating, luminous line. As little Sister Constance, a sort of saintly soubrette, Lillian Watson makes a perfect partner, and between them they escape any lethal hint of sanctimonious pit. It is a pleasure to find Pauline Tinsley back at Covent Garden as Mother Marie, toughly kind and sturdy (though we miss more of her words than of her colleagues'), a solid dramatic lynchpin. The one survivor from the early performances is John Dobson's Father Confessor, a model of the right forward-placed tone and lucid diction.

There is also Régine Crespin, who was the new Prioress Mme Lidoine in the first French *Dialogues* and now sings her predecessor Mme de Croissy. Her English is creditable, her timbre worn but capable of imperious flashes; she has the essential *grande dame* authority to make her strange death-scene painfully impressive, and not a mere histrionic *tour de force*. After her, the new new Prioress, Valerie Masterson, has rather too appealingly pretty a voice and manner, but she maintains a sweet sobriety well enough. Jonathan Summers and Robin Leggate offer good sketches

The formally handsome sets are still everything that they ought to be, except that they place much of the action high up and far back: it looks well, but it is a pity to leave the voices at that distance. Perhaps they reach the amphitheatre better than the stalls.

Daisy Pulls It Off/Globe

B. A. Young

I'd be surprised if a more enjoyable evening than this came up this year, and to judge by the rapturous reception, that must have been the audience's feeling too.

Daisy Pulls It Off is a skilful reproduction by Denise Deegan of the kind of girls' school story associated with Angela Brazil (whose name rhymes with "dazzle," incidentally). I say "reproduction" rather than "parody," for it is written, and played, as seriously as such a plot will allow. The fact is that in these classic school tales, the emotions are genuine. We shouldn't laugh at aristocratic Sybil's taunting of Daisy Meredith because she has come to a smart public school on a scholarship from an elementary. What is fun, and Miss Deegan has handled it to perfection, is the manner in which the familiar situations are piled up and then resolved in the way we remember, and the way the manners of the fictional schoolgirls are mimicked by the company. No one is making fun of the girls, and the playing is faultless from top to bottom.


Alastair Muir
Alexandra Mathie as Daisy

Sybil (Edita Brychta) is an adept at fastening faults on poor Daisy (Alexandra Mathie). In less than no time, Daisy is labelled a sneak, a cheat and a thief; worst of all, she's the girl who Doesn't Own Up and gets everyone kept in. Daisy, however, is brilliant at her work; better than that (since she might have been cheating), she wins the important hockey-match she plays in although she's supposed to be confined to her room; and even better, she breaks out at night to rescue Sybil and her chum from an allicit visit to a dangerous cliff. Best of all, she and Trixie (Helena Little) discover the missing Beaumont treasure, without which the school would have to close—not to mention her missing Beaumont father.

It's most excitingly written and excitingly directed by David Gilmore on a big revolving set, rich with panelling, designed by Glenn Willoughby. Nothing's left out. We have the hockey match and the cliff-top rescue, and by the time we've got to them we believe it as we would have if we had read it all in one of Miss Brazil's novels. We are also, by that time, sick with laughter as familiar old clichés of language and situation fall over one another. The detail of the production, down to the school song composed by anagrammatical Beryl Waddle-Browne, is first-class.

King's Lynn Festival plans

The Princess of Wales is to attend the opening concert of this year's Kings Lynn Festival on July 22. The Bach Choir and the Royal Liverpool Philharmonic, conducted by Sir David Willcocks, will perform Verdi's *Requiem*. Dame Janet Baker, in the final year of her three years as the festival's joint artistic director, will sing a solo in the Requiem.

Dame Janet will also appear as Dido in a concert performance of Purcell's Dido and Aeneas and with the Philharmonia Orchestra, under Vernon Handley, in a performance of Elgar's *Sea Pictures*

The Haunted Manor/John Lewis

Rodney Milnes

Moniuszko's comedy (1865) is a canny choice for the John Lewis Partnership Music Society's annual production: a piece of undeniable, if slight, charm by an important nationalist composer (a little after Glinka, a little before Smetana) that may not deserve regular professional staging outside Moniuszko's native Poland but certainly merits — and repays—the occasional airing.

The idiom is part folk-inspired, part French *opéra-comique*, less adventurous harmonically than Smetana, less inventive orchestrally than Glinka, but always well-made and craftsman-like, indeed a little more than that; the well-turned melodies never do q uite what you expect them to—some nice side-slips and modulations—and are supported by an orchestra that never sinks to mere routine. Moniuszko knew his Weber as well as his Auber. The most satisfying aspect of the piece is the way the plot is carried forward within formal numbers in the through-composed score (very French, this): there are barely half a dozen pages of recitative in the whole work.

Not that there is an awful lot of plot to be carried. When in the opening scene tenor and baritone officers swear with military fervour to remain bachelors in order the better to serve their fatherland (presumably the reason for the Russian censors banning the piece after three performances) we may be sure that they will be betrothed to the sopranos who live in the eponymous manor before curtain-fall. And so they are, though the precise mechanics of the plot, prodded forward by assorted comic servants.

So, plenty of small roles for the Partnership regulars: Judith Wright as an interfering Aunt, Brian Kevis as a primping dandy and David Flint as the tenor hero, dealing confidently with a romantic nostalgic number. Julia Dewhurst and Amanda Hughes-Jones (heroines), Peter Allanson (their father) and Martin Nelson (the dashing baritone officer) lent strong support from outside.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

April 15–21

Theatre

LONDON

A Map of the World (Lyttelton): Brilliant new play by David Hare, set in a luxury Bombay hotel where a Unesco conference on world poverty has been convened. Chill, meticulous production by the author has strong performances from Roshan Seth (Nehru in the film Gandhi) as an Indian novelist, Bill Nighy as a journalist and Diana Quick as the actress in the middle of an ideological showdown. (928 2252).

Noises Off (Savoy): The funniest play for years in London, now with an improved third act and a top-class replacement cast. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888).

Yakety Yak (Astoria): Enjoyable potpourri of songs by Lieber and Stoller, evocative of the 1950s and '60s, and exuberantly performed by a Liverpudlian quartet of brothers and The Darts. (437 6565).

The Real Thing (Strand): Fascinating, enjoyable new Tom Stoppard play which examines a playwright's attitudes to work, music and love in characteristically well-written, complex vein. A tone of serious levity is well struck in Peter Wood's production and the performances of Roger Rees and Felicity Kendal. (836 2660/4143).

Other Places (Cottesloe): Triple bill of Harold Pinter plays superbly directed by Peter Hall. Pinter breaks new ground in A Kind of Alaska, Judi Dench outstanding as a woman coming out of coma after 29 years and accelerating from small girl to adult maturity in half an hour. (928 2252).

Trafford Tanzi (Mermaid): Exuberant play starring Toyah Wilcox that sets the battle of the sexes in a wrestling ring. This fringe success has re-opened the embattled City of London venue. (236 5568)

The Pirates of Penzance (Drury Lane): Riotously vulgar Broadway import that sits Gilbert and Sullivan on a whoopee cushion. One or two brilliant set pieces, but is all this strenuously arthritic camping about really preferable to the prim stasis of the D'Oyly Carte tradition? (836 8108)

Guys and Dolls (Olivier). A first-class revival of this witty musical happily laid out on the open stage, with a good selection of the acting talents of the National Theatre and some unlooked-for singing talents as well. (928 2252)

NEW YORK

Brighton Beach Memoirs (Alvin): As usual, Neil Simon is more funny than touching even when recalling painful puberty in 1937 as his family struggles with the Depression, with an excellent cast led by Matthew Broderick as the aspiring teenage writer. (757 8646).

Showboat (Uris, 51st W. of Broadway): A cast of 50 from the Houston Opera company led by Donald O'Connor revives the Kern-Hammerstein musical of 1927 with its brilliant score including songs Ol' Man River, Bill and Make Believe.

A View from the Bridge (Ambassador): Broadway and Arthur Miller finally have a hit for the new year – Arvin Brown's musty but true revival of the melodrama of forbidden love in New York dockland. Tony LoBianco may reach the full pitch of contrived despair too soon, but audiences love the schmaltz, even in an Italian accent. (239 6200)

Amadeus (Broadhurst): David Dukes stars as Salieri in the award-bedecked and elegant National Theatre production of Mozart's life. (247 0472)

Agnes of God (Music Box): The fiery trio of Elizabeth Ashley, Geraldine Page and Carrie Fisher enliven a somewhat over-written clash of ideologies. (246 4636)

Joseph and the Amazing Technicolor Dreamcoat (Royale): The first work by Andrew Lloyd-Webber and Tim Rice in a lively and imaginative rendition directed by Tony Tanner. (245 5760)

Nine (46th St): Two dozen women surround Raul Julia in this Tony-award winning musical version of the Fellini film 8-½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246)

Extremities (West Side Arts, 43rd W. of 9th Av.): The realistic portrayal of sadistic rape, with which the play opens, makes for uncomfortable but rich drama, and author William Mastrosimone manages to maintain high energy levels to challenge an excellent cast led by Susan Sarandon and James Russo. (541 8394)

Marcel Marceau (Belasco): If anyone can cheer up Broadway's sagging season it should be France's favourite silent clown. (239 6200)

Cats (Winter Garden): Director Trevor Nunn, fresh from the Broadway success of Nicholas Nickleby, has his imaginative and frisky cats slink, slide and dance their way across a transfigured stage in this lavish recreation of the London hit. (239 6262)

Top Girls (Public): After the Royal Court production enjoyed a short sold-out run, Caryl Churchill's ruminations on ambition and women re-opens with a local cast including film actresses Linda Hunt, Kathryn Grody and Sara Botsford, again directed by Max Stafford Clark. (598 7100)

On Your Toes (Virginia): Natalia Makarova with presumably a genuine Russian accent leads an exuberant cast in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370)

WASHINGTON

Make and Break (Eisenhower): Michael Frayn's zany tragicomedy of contemporary salesmanship writ large at convention time gets its American premiere with telly star Peter Falk in the Leonard Rossiter role, directed as in London by Michael Blakemore. (254 3670).

Geniuses (Arena): A takeoff of the shooting of Apocalypse Now in the Philippine jungle captures, if not the real Hollywood, at least the East Coast assumptions about it, which are funny enough. (488 3300)

CHICAGO

The Dining Room (Goodman, 200 S. Columbus Dr.): A. R. Gurney Jnr's vision is confined by four walls, the four walls of a middle-class New England family as it changes with its inhabitants. (443 3800)

Duet for One (North Light Rep, 2300 Green Bay, Evanston): Tom Kempinski's slightly veiled story of the painful and frustrating accommodation of a concert artist to growing debility stars Eva Marie Saint. (869 7278)

E. R. (Organic, 3319 N. Clark): This hit-and-miss local company has a long-running success with an earnest parody of hospital-based melodramas, starring Gary Houston as an ambitious young doctor, Shuko Akune as the receptionist and Lily Monkus as the authoritarian nurse. (327 5588)

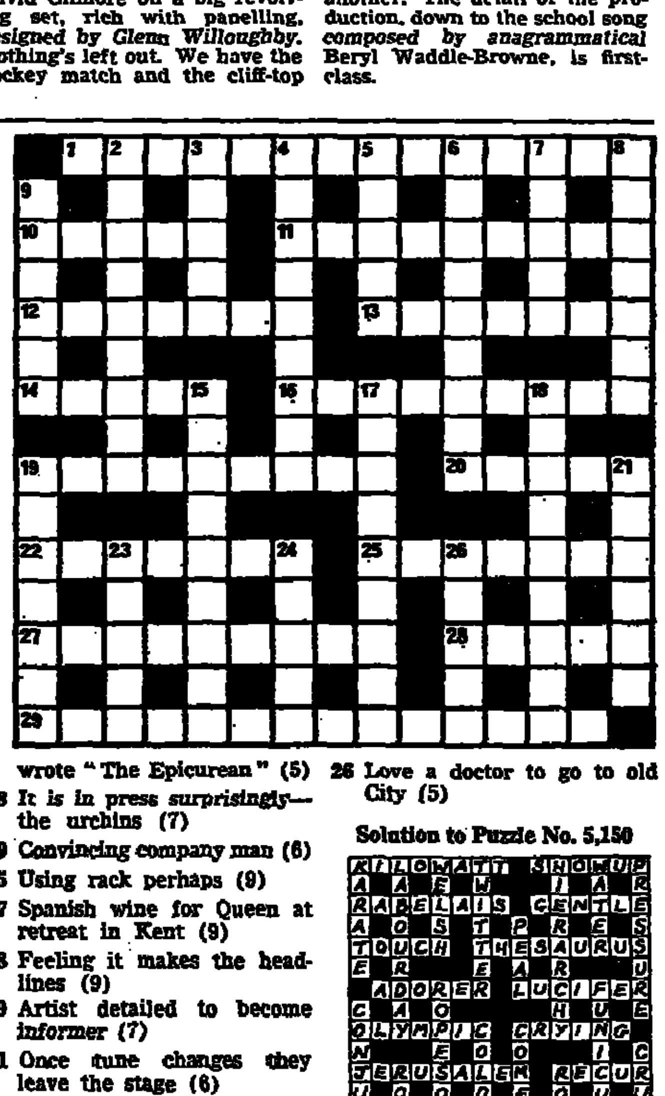
Gardenia (Goodman) John Guare picks a post-U.S. Civil War setting for his latest play, following up Bosoms and Neglect with idealism trying to set down roots in innocent.

VIENNA

Vienna's English Theatre (421 260): Hughie and Before Breakfast: two one act plays by Eugene O'Neil. (Daily except Sun)

Theater an der Wien (579 632): Anatevka (Daily except Mon).

F.T. CROSSWORD PUZZLE No. 5,151



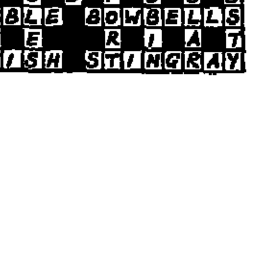
ACROSS

1 "The Rivals" are in them (8, 6)
10 River mouths no way for first-class return (5)
11 Campaign attempt (9)
12 Record one book summary (7)
13 Part for example soldiers get in Soviet borders (7)
14 Article by newspaper is an offence (5)
16 Chiliasts work with "Tiny" first—and second (9)
19 New engineer went far to obtain plant (5-4)
20 No Continental church for the occasion (5)
22 Take legal possession of confine (7)
25 Formerly a speed containing grooves (7)
27 Clumsy pair striking journalist (3-6)
28 Flaming rocket in the soup! (5)
29 Action by group gives indication of Union (10-4)

DOWN

2 Turn in time otherwise I go out for food (9)
3 Time to muse (5)
4 For that reason ogre rejected (9)
5 Dundee's lost two points, the fops (5)
6 No scope for chap being extreme Protestant (9)
7 In addition, it is said he wrote "The Epicurean" (5)
8 It is in press surprisingly—the urchins (7)
9 Convincing company man (6)
15 Using rack perhaps (9)
17 Spanish wine for Queen at retreat in Kent (9)
18 Feeling it makes the headlines (9)
19 Artist detailed to become informer (7)
21 Once tune changes they leave the stage (6)
23 Fork for nicking edges (5)
24 The fact is leaders to attempt to usurp minions (5)
26 Love a doctor to go to old City (5)

Solution to Puzzle No. 5,150



FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Wednesday April 20 1983

The forgotten million

AS SIGNS of economic recovery in Britain multiply, there is a strong political temptation for the Government to brush aside as regrettable but inevitable the obstinately high level of unemployment.

It would be a mistake, however, perhaps politically, certainly on broader social and economic grounds, for the Government to sail through 1983 without thinking long and hard about the next phase of its response to the employment crisis, which will still be there after the election, possibly on a larger scale.

In particular, the Government needs to take stock of its selective employment measures and to consider how they can be improved or extended. Equally, it must assess realistically the limits both of these schemes and of the employment creation potential of its own economic policies.

The measures have on the whole so far been a useful and desirable palliative. They will cost £1.4bn this year and involve 650,000 people, resulting in a cut in the number of those registered as unemployed of about 360,000.

Critisism

Part of the need, as the Comptroller and Auditor General pointed out in a recent report to the Public Accounts Committee, is to ensure that they are being well run.

The comptroller found some fault with all the measures and generally felt the Government to be too optimistic in its assessment of their effect. He also found, in perhaps his most telling criticism, a large proportion of programmes seriously lacking in financial control. He commented upon the inadequacy of Whitehall's monitoring procedures, which clearly require improvement.

As the report also points out, however, Whitehall and its tripartite adjunct, the Manpower Services Commission, have been coping with rapid, if sometimes unnecessary, change in the schemes' design and in demand. To have met numerical targets is a significant achievement.

In looking ahead, however, several points need to be made. One is that some schemes are obviously exhausted. The Temporary Short Time Working Compensation Scheme, despite the CBI's affection for it, should be phased out, having become primarily a subsidy for declining industries and an encouragement to avoid structural change.

The other schemes all have some value. The most important, the Youth Training Scheme, which began at Easter, should be developed as a permanent new base for our ailing training and apprenticeship system.

The Young Workers Scheme, as the Comptroller noted, is at £5,355 per person saved from the dole by far the most expensive scheme and it is now clear it cannot be justified as a cost-effective direct job-creation measure. Its other purpose, however, to encourage more realistic youth wages remains valid, but untested, and now needs close monitoring.

The Job Release Scheme, which promotes early retirement, has run into practical difficulties, but is sound in principle and should be encouraged. Subsidised job splitting, although off to a slow start, also has merit.

On balance then, it can be said that in the areas of youth training and schemes to reduce the supply of labour, the policy direction is now fairly sound. Schemes are working for the most part with the grain of social and educational changes which are desirable on grounds other than that of easing unemployment. Moreover, as the management of the schemes becomes increasingly local, there should be opportunities to mesh with the vigorous range of employment initiatives now coming from the private sector, voluntary bodies and local

There is, however, one gaping hole and that is in policies for the long-term unemployed—those out of work for over a year. Of these 1m people, one-quarter are under 25 and more than half under 45. At present, only about 38,000 people are on the Community Programme, which was designed for this group, and the progress of which was not helped by needlessly radical revision last year. The rest are the forgotten million.

Transitory

It is time that the country faced up to the real and protracted nature of this problem, even if it means making use of the public sector as the vehicle for creating permanent jobs for what is, by and large, an unskilled or semi-skilled body of people.

The challenge is to find some way of achieving permanent jobs—the transitory nature of the community programme is inherently unsatisfactory—while minimising any inflationary impact. This theoretical ground has been well tilled, not least in last year's justly admired

There are several possible avenues for action, including labour subsidies, construction programmes and jobs in exchange for pay restraint deals in the public sector services. The principle of geographical targeting should also be explored, since the deepest structural unemployment problems are highly localised.

The timing is now right for the Government to examine this area systematically, even if to do so carries an implicit acknowledgement of the employment limitations of the recovery which has now begun.

BRITAIN'S TELECOMMUNICATIONS MARKET

Even freedom has a price

By Jason Crisp

MERLIN is a tiny company set up by five would-be telecommunications wizards in Stroud in rural Gloucestershire. It will soon be competing with the established giants in the British telecommunications field such as GEC, Plessey and British Telecom itself.

Less than a year old, Merlin has already attracted nearly £1m in equity from the City to finance development of a small but sophisticated digital private exchange.

One of the Government's dreams when it began to liberalise the UK telecommunications market three years ago was that it would spawn a host of exciting, dynamic, entrepreneurial companies like Merlin. These would shake up not only a complacent British Telecom but also its cosy relationship with its chosen suppliers.

And it is certainly true that, although there have been a steady stream of complaints about the way in which the Industry Department has managed the liberalisation process, Britain will soon have one of the most open markets in the world for customer equipment.

But, so far, few new companies like Merlin are being set up and it will be a long time before any of them have an impact. Moreover the established suppliers like GEC, Plessey, Standard Telephones and Cables (STC) and TMC are proving decidedly ambivalent about liberalisation as most of their business is with BT.

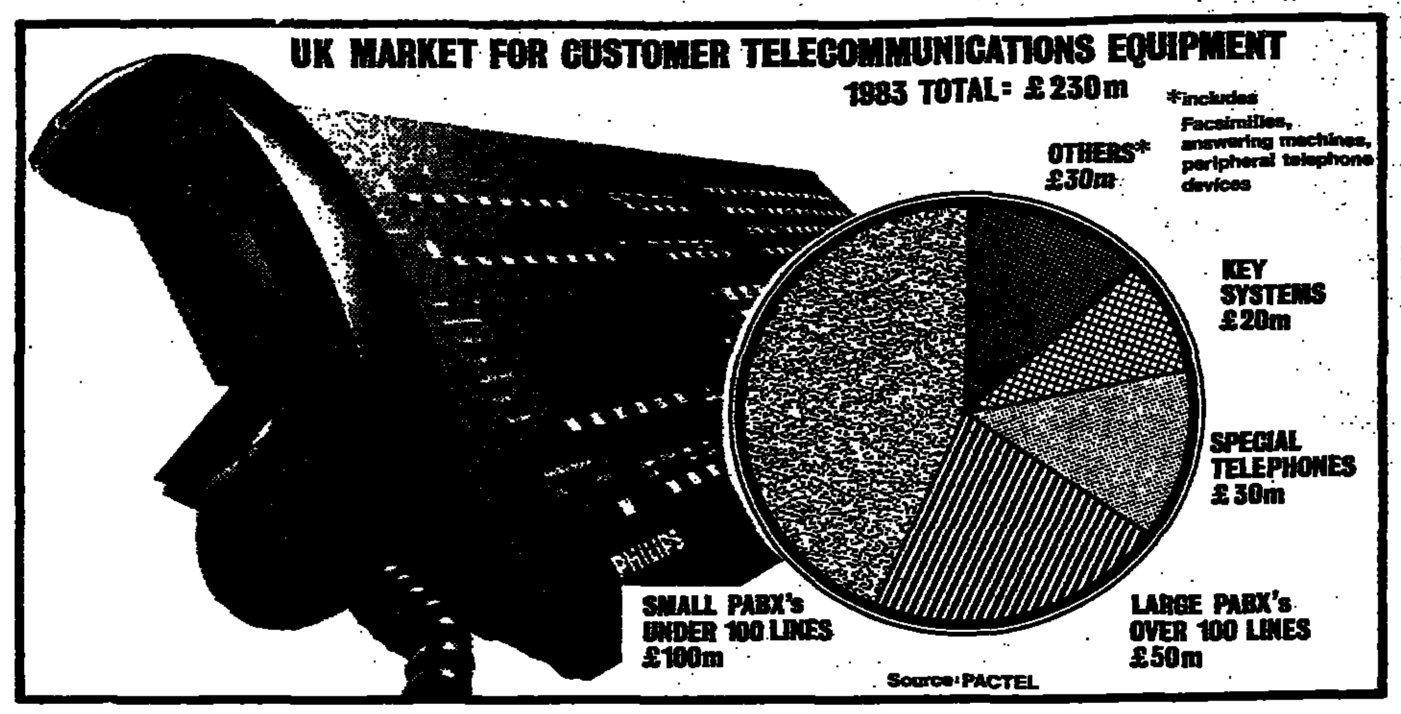
Ironically, however, the fiercest competition now is to supply not the customer, but BT itself. Its monopoly of the provision of telecommunications services gives it a dominant position right across the business and the new private Mercury network, due to start operating in London this month, will make little difference to this for some years at least.

This monopoly presents the Government with a dilemma, and one which will be more acute if the Conservatives win the election and carry out their promise to privatise it.

In essence the question is, should BT nurture the industry rather as Marks and Spencer, for example, supports its suppliers? Or should it declare open season and buy the best product at the best price regardless of where it is made (and of the possible job losses this might entail)? Beyond this is the very real question—how are companies to compete effectively with a giant organisation which is also by far their biggest potential customer?

The Government first outlined its plans to liberalise the UK telecommunications market nearly three years ago. At the time the Post Office — which then combined mails and telecommunications — had a statutory monopoly which gave it the sole right to supply all telecommunications equipment and services.

The Post Office monopoly, combined with the hangover from its status as a government department protected from commercial pressures, gave it



no incentive to respond to customer demand.

Across the Atlantic American Telephone and Telegraph seemed a shining example of how things could be. AT & T was at that time already losing its monopoly position. But its sheer efficiency seemed to indicate that privately owned, closely regulated monopolies could work effectively.

But BT's traditional suppliers were fearful that too rapid liberalisation would not give them enough time to develop new products which could compete with those from overseas. BT therefore agreed to phase in liberalisation over three years.

The British Telecommunications Act 1981 split the Post Office into two corporations, telecommunications and mail with Giro. The telecommunications monopoly was reduced in three areas: customer equipment, services on the BT network, and the network itself.

Customer equipment is being liberalised progressively starting with telephone handsets and ending with private exchanges (PABXs) which are scheduled to be open to competition in July. Liberalisation has slipped behind schedule because the Industry Department greatly underestimated the time it would take to establish technical standards, which are set by the British Standards Institute in consultation with industry. As a result the DoI has introduced a number of interim measures to speed up liberalisation.

To date, however, relatively few new products have reached the market from private industry and there is still considerable confusion and uncertainty. Those companies entering the market include:

- Small entrepreneurial companies with sophisticated products like a PABX such as Merlin and Small Systems Engineering.
- Small companies offering relatively simple products such as fancy telephones like Conversation Pieces and Astral Telecom.
- Established non-manufacturing suppliers like Telephone Rentals and Norton, which can greatly expand their range of products and the way in which they sell them.
- U.S. companies such as Harris and General Telephone and Electronics (GTE), the latter in a joint venture with Ferranti, which are entering the market with large PABXs.
- Traditional British suppliers like Plessey, STC and Thorn-Ericeson, which will offer a number of products from telephones to exchange.
- Data communications suppliers like Racal.

Private companies are now selling extension telephones, answering machines, repertory diallers, modems which connect computers via a telephone line and teleprinters.

But BT remains by far the largest customer and supplier and has responded by widening its product range.

The Government has been disappointed at the traditional suppliers' response to liberalisation. But Mr John Butcher, Industry Minister, acknowledges: "It has been a turgid market and a lot of companies found themselves without the right product at the right time.

And Sir John Clark, chairman of Plessey, comments: "You can't turn an industry on its head after years in which the British Post Office has entirely dominated the market. There is not the time, human resources or cash to develop internationally competitive products."

GEC Telecommunications has been particularly criticised in the industry and in Whitehall for showing little enthusiasm for liberalisation. While all the manufacturers remain anxious to supply BT they also unsuccessfully tried to persuade the Government to restrict BT's share of the customer equipment market to 25 per cent earlier this year.

With some exceptions the traditional suppliers cannot or will not compete with BT in the open market with most of the products they also supply to it.

Plessey has developed some new products such as a large digital exchange, the IDX, which will be adapted to compete with the smaller Monarch exchange which it makes for BT. Plessey is also importing some products from Japan while it develops its own.

GEC, which also makes Monarch for BT, is importing a small PABX. Nigel Horne, head of GEC's private systems division, says: "The effect of liberalisation is to make me want to import. I don't want to, but the ironic part of the legislation is a strong incentive to import."

The cost of developing new products is seen as too costly for the available market. BT is expected to hold a substantial part of the relatively small UK market and the competition for the remainder is expected to be fierce.

With a strong squeeze from their major customer, the traditional suppliers are having to look to new markets. Plessey has moved strongly into the U.S., which accounts for about half the world telecommunications market, through its purchase of Stromberg-Carlson and its link with Scientific Atlanta.

GEC Telecommunications is also trying to reduce its dependence on the UK. It plans to strengthen its links with GEC's office equipment subsidiary in the U.S., AB Dick, and hopes to increase exports of Monarch, the BT-developed small PABX.

It is widely acknowledged that the market for large PABXs, which is comparatively small and slow growing, is going to be very overcrowded. There is a much stronger commercial interest in the larger and faster growing market for smaller systems.

Again it is expected to become very competitive. At present BT has 100 per cent of the market for systems below 100 lines with Monarch made by Plessey and GEC, Regent made by Mitel, Herald made by TMC and a number of small systems.

Distribution is one of the major headaches for all potential competitors because BT has always been the main route to the market. Most of the major traditional suppliers have their own rental subsidiaries with a sales force and maintenance staff. The largest of these is Reliance, employing 1,300, a subsidiary of GEC

But the in-house rental companies only provide a limited access to the market. The largest independent distributor with telecommunications expertise is Telephone Rentals which is consequently in a strong position to choose the best equipment being made available. Other potential outlets range from office equipment dealers and distributors to high street shops. Some large companies are looking at other subsidiaries in their groups which have access to potential customers.

Some of the new manufacturing companies meanwhile are very optimistic about the future. Mr Derek Rowe, managing director of Small Systems Engineering, who has developed a small PABX and is not a man to sell himself short, says: "What we have done with our PABX is what Steve Jobs of Apple did with the microcomputer." (Apple is now the world's largest vendor of personal computers. But it began in a garage in California in 1976).

Entrepreneurial vision of this kind is what the Government wants. But it is not yet clear that liberalisation and privatisation will in themselves produce the galvanising effect on the supplying industry which the protagonists of these measures had hoped for. As long as the British Telecom colossus continues to bestride the market, as customer and as supplier, conditions in the marketplace will fall a long way short of normal competition.

HOW BRITISH TELECOM HAS REACTED

THE PROSPECT of liberalisation has been an enormous spur to British Telecom which has reacted quicker than AT&T did in the U.S., according to an industrialist with experience of both.

Part of BT's preparation for competition has been a reorganisation which may leave customers and suppliers confused. The country has been divided into 61 regions which are profit centres and they supply both the basic service and customer equipment.

A new division has been set up to compete in the equipment market called British Telecom Enterprises (BTE). The 61 regions are supplied with equipment from BTE. Already one independent minded region has tried to buy PABXs from another source because of a shortage of supply.

BTE also has nearly 60 major account executives which look after large companies, in preference to the regions. BTE is also particularly keen to ensure BT becomes a major force in office automation and will shortly announce a number of new products many of which will be the result of a close relationship with ICL, Britain's leading computer company. (These will be sold as part of its Merlin range—which has no connection with the company of that name in Stroud.)

But the inland division of BT has also been formed into a new organisation, National Networks, which is to compete with Mercury, the private sector network. National Networks will supply advanced digital communication services and is also going into office automation.

Rivalry between BTE and National Networks looks set to be fierce in this area. Although National Networks will supply BTE's chosen equipment it is also quite free to choose its own. Already it has chosen the GEC private exchange while BTE has opted for Plessey and probably Mitel.

The Thai way to stability

ON PAPER Thailand looks horribly vulnerable. Its eastern provinces which border Laos and Kampuchea, both in the grip of Vietnamese influence, seem wedged inside a tiger's jaw. This month's fierce fighting between Vietnamese troops and Khmer guerrillas along its border is a reminder that those jaws could snap shut with unforeseen consequences for Thailand and south-east Asia.

This external vulnerability is seemingly reinforced by internal disorder. In 51 years of constitutional monarchy it has had more coups than elections.

Against this background this week's elections, apparently resulting in yet another unsatisfactory compromise — with no single party having a working majority and the army the final arbiter of power—should be a matter of concern. Unfashionable as the domino theory may be, Thailand is a front-line state in the struggle for influence in south-east Asia.

But there is a case for taking a more sanguine view. It is true that these latest elections have been held under the threat of yet another coup. But a coup in Thailand is not a coup in the conventional sense. Tanks on the streets do not necessarily precede chaos in the marketplace. With rare exceptions coups merely signal a change in the ruling group.

Behind this curious predictability is the steadying hand of the monarchy. The king, who is revered as almost divine by the people, will, when necessary, step in and quietly restrain extremism. In this he is supported not only by his own authority and the Buddhist ethic but also by the realisation among the ruling elite that to flout the rules is to endanger the fragile structure on which they all depend. Underpinning this is the self-confidence that comes from never having been colonised.

Thailand's turbulent political system is, therefore, less fragile than it looks. So, for that matter, is its economy.

The size of France, Thailand has only 35m people and is rich in natural resources. It is a net exporter of rice, the world's third largest natural rubber exporter, the biggest producer of tapioca, a major tin producer and the possessor of substantial quantities of natural gas.

Pressures

The question is whether this guided democracy can withstand the pressures of an increasingly hostile environment and whether sufficient economic progress can be made in time to even out the inequalities which could create tensions and social unrest.

Left to its own devices the answer is probably "Yes". The battle in Thailand, in the long run, is not between democracy and autocracy but between the haves and the have-nots. With good management and a modicum of good luck this could be resolved peacefully.

It is important, however, that Thailand should be allowed to pursue this goal free of outside interference. Vietnam is an obvious threat, if only because it cannot bring the situation in neighbouring Kampuchea under control. China, too, has a role to play. Last week Peking deliberately raised the tension on its border with Vietnam to signal its disapproval of Vietnamese incursions into Thailand and to redeem its pledge that it would back Bangkok in the event of external threats.

This may reassure the Thais. But Thailand cannot have forgotten that not so very long ago Peking was actively backing the largely defeated Communist Party of Thailand. This can only reinforce Thailand's belief that independence and self-reliance are the only guarantors of its integrity.

Men & Matters

Breakfast break

When Greg Dyke's appointment as editor-in-chief of TV-am was announced on Easter Monday, he could be heard stage-whispering around the Camden Lock studios that something would have to be done about the presenters.

By the time he arrives officially on May 2 from London Weekend Television to take on his daunting task, the deed will have been done.

Yesterday both Anna Ford, who has a 1.5 per cent stake in the breakfast channel, and Angela Rippon, just over 2 per cent, departed.

Anna Ford said: "I was given a letter and was told that my contract was being terminated by TV-am. It was a complete surprise."

The former ITN newsreader, whose contract was reported to be worth £60,000 a year, said the matter was now in the hands of her lawyers.

TV-am would make no comment on the future of either Miss Ford or Miss Rippon, who was replaced on the screen last week by Lynda Berry, paired with former sports presenter Nick Owen, in the search for "ordinariness."

Since Peter Jay's resignation as chief executive, only Michael Parkinson survives from the Famous Five who helped secure TV-am's contract with a regular seat on the sofa. He retains his weekend slot.

Robert Kee last appeared as a presenter in the first week of March. And David Frost will, it is said, turn up from time to time doing some special reporting.

But amid all the changes this past month, one thing has remained constant. TV-am viewing figures have stuck at 400,000 — about a quarter of the audience for BBC's Breakfast Time.

"Blimey, fancy getting paid extra for not washing"

Safer ground

If Anna Ford or Peter Jay, freshly sacked from TV-am, are looking for stable employment then Michael Levete of the UK Paintmakers Association has helpful advice.

Levete was plucked out of financiers Charterhouse 10 years ago to be md of the new London Broadcasting franchise. "I knew nothing about radio but we had lots of ideas and plans, just like Peter Jay."

A year later he was sacked in an unexpected shake-out.

Unemployed all the following year he had plenty of time to decide his next job should be as secure as he could arrange. He chose the trade association business. Now, eight years later, he recommends it warmly to the insecure among us.

"Your boss changes every year so the only way your members can fire you is by banding together against you. But they are all competitors with each other so they wouldn't do it. It's simple."

Ar'n't there any drawbacks, we asked the forthcoming Levete?

"Well, paint can be a bit dull after a while . . . If somebody offered me a fantastic job tomorrow. . . ."

Wheel of fortune

Nineteen Eighty-Two—year of recession—took its toll of some of the great and the good as well as many of the not-so-good in American business. And all is now recorded in the new Fortune directory of the 500 largest U.S. corporations.

For the full horror story wait for the magazine's May issue. But I am allowed a sneak preview which shows Exxon still commands first place, with sales of $97bn. Even mighty Exxon suffered some bruises, however, and its sales fell $10bn to drag the company below the magic $100bn level for the first time since 1979.

The troubles of the oil industry were also reflected in the struggle for second place in the listings. Mobil, after two years as number two, swapped places with General Motors to become number three.

Meanwhile, Texaco held on to fourth place although sales fell by more than $10bn, and Ford took fifth place, displacing Standard Oil of California. In fact Standard lost two places as IBM came up on the inside track to become America's sixth largest business in sales terms.

If your faith in the future of business lies in the micro-chip the Fortune list will please mightily. Three newcomers to the 500 had the greatest sales increases between 1981 and 1982 and all were chips people. Coleco, number 444, a maker of video games, increased sales by nearly 200 per cent. Apple Computer, number 411, saw its sales rise by nearly 75 per cent, and Tyco Laboratories, number 426, a maker of electronic components, enjoyed a 58 per cent sales increase.

The overall picture presented by the Fortune 500 listings is a 27.1 per cent fall in profits by the top tier of American business last year from the previous year. That is the largest earnings dip in the 29-year history of the list.

As if to show that traditional industries are still alive and kicking—well, some of them—the largest earnings increase of any Fortune 500 company was achieved by a coal producer, North American Coal. Its earnings soared by 2,276 per cent from well under $1m in 1981 to nearly $15m.

Waterproof

Whatever else may happen, French Government planners are doing their best to ensure that 1989—the 200th anniversary of the French Revolution and the last year of Francois Mitterand's presidency — is not a wash-out.

Ambitious and costly celebrations are being planned, with exhibitions on two sites on the banks of the Seine in Paris.

Town planning ministers from the OECD countries were invited on a motor-boat trip to look at the sites—but the Seine has flooded and the excursion had to be called off.

Which set someone wondering what would happen if the Seine flooded again in 1989? The planners did some rapid research, found that a recurrence was likely in five or six years' time, and adjusted the celebratory programme just to be on the safe side.

It will now start on May 1 1989 instead of April 15, as originally planned.

Observer

"We'd love to give up London rents. But how can we give up the London way of life?"

The Peterborough Effect is already working for the hundreds of businesses that have successfully relocated to this fast growing city.

Peterborough works for business because it works for people. London is just 50 minutes by Inter City train.

And whatever your family's concerns – housing, education, entertainment, shopping, sport and recreation – Peterborough can satisfy them.

Our Information Pack will give you all the facts. Send the coupon for your copy.

To: John Bouldin, Peterborough Development Corporation, Touthill Close, Peterborough, PE1 1UJ Tel: (0733) 68931 Telex: 32825 Please send me your information pack:–

Name

Company

Address

Tel

the Peterborough Effect

FT2

It works for people. As well as business.

LEAD-FREE PETROL

The problems that lie ahead

By Ray Dafter and Kenneth Gooding

THE GOVERNMENT'S decision to phase out lead in petrol will have a major impact on UK motorists and the oil and car industries.

For the motorists, it is likely to mean fewer cars with exhilarating performances from engines guzzling four-star petrol. For the oil industry, it will mean a significant change in refinery practices and for the car manufacturers it will mean a costly re-tooling exercise.

The Government announced on Monday that by 1990 all new cars in the UK would be required to run on low octane (in essence two-star) lead-free petrol.

But Ministers have made clear that the whole scheme depends on acceptance of such a move by other EEC countries, on the grounds that motoring habits and car industries transcend national frontiers.

In accepting the arguments put forward on safety grounds by anti-lead campaigners, the Government had two alternatives for action:

- It could insist on the oil industry refining all grades of petrol without any lead additives—a move described as "horribly costly" by oil companies.
- It could demand that car manufacturers produce engines able to run on low octane fuel. It is easy to make low octane petrol without lead, whereas it would take expensive equipment and costly additives to make premium petrol lead-free.

The Government has chosen the latter course—and the oil industry is relieved that the onus for eliminating lead has now been passed to the motor manufacturers.

Refiners were uncomfortably aware that they would have had to spend between £1bn and £2bn on new processing plants in order to produce lead-free high octane petrol. And in the present depressed state of the oil products market, companies argue they are in no financial condition to undertake such an investment.

As it is, UK refiners are currently investing over £250m on new plant and equipment designed to allow them produce petrol with very low lead levels. Texaco, for instance, has started site clearance at its South Wales refinery in Pembroke, Dyfed, in preparation for its £100m catalytic reforming unit. Shell UK is spending £57m on a refinery unit at its Stanlow, Cheshire, plant.

The investments have been made by companies in the knowledge that, by January 1986, the lead content of all UK petrol must be no higher than 0.15 grammes per litre as against the present limit of 0.4 grammes a litre. A decade ago a level of 0.64 grammes/litre was accepted.

The Royal Commission on Environmental Pollution — whose report has prompted the Government's latest action—pointed out on Monday that the 0.15 grammes/litre plan put the UK among the top countries of the European Community in terms of lead-in-petrol standards. Belgium, France, Greece, Ireland, Italy and Luxembourg have still to announce an improvement on 0.4 grammes a litre.

This might say something for the effectiveness of the Campaign for Lead-free Air (CLEAR), led by seasoned campaigner Des Wilson. In pointing to the health hazards associated with lead, CLEAR has been leading a growing public movement calling for lead-free petrol.

The oil companies will be able to eliminate lead from low octane petrol, as now planned at little additional cost. They will merely have to run their refineries a little harder, a move that is likely to add no more than 2p to 3p a gallon to production costs.

But that leaves the problem of higher octane petrol, by far the most widely used grade. In the UK some 85 per cent of all petrol sold is high octane, four-star. The UK Petroleum Industry Association says it would take at least 10 to 15 years to switch the UK car fleet from four-star usage to almost total reliance on low-octane unleaded petrol.

Even then there would be a problem for visiting motorists from the Continent if their cars were not tuned to the same low octane, no-lead standards as UK vehicles. At present the majority of West European cars rely on high octane petrol; in Italy—where speeding away from traffic lights is a national sport—93 per cent of the cars are driven on high octane petrol.

Britain's gradual approach towards lead-free petrol is the route already adopted by the U.S. and Japan. The U.S. Environmental Protection Agency forecasts that by 1990 the demand for leaded petrol by American motorists will have fallen to about 19 per cent as against 48 per cent at present. In Japan most cars now run on low-octane unleaded petrol, although a leaded "premium grade" petrol (with a 0.31-gramme-per-litre content) is still retained for the remaining vehicles.

HOW COUNTRIES COMPARE

MAXIMUM PERMITTED LEAD CONTENT OF PETROL

February 1983

EEC members:	Lead content (g/l)
Belgium	0.4
Denmark	0.4 premium 0.15 regular (0.15 premium from July '84)
France	0.4
W Germany	0.15
Greece	0.4
Ireland	0.4
Italy	0.4
Luxembourg	0.4
Netherlands	0.4 (0.15 from '86)
UK	0.4 (0.15 from Jan '86)
Others:	
Japan	0.31 premium 0.02 regular unleaded
U.S.	0.013 unleaded

The motor industry, for its part, has always said there are no technical barriers to the manufacture of cars to run on unleaded petrol, but companies need adequate time to redesign and tool-up for the new engines.

Mr Anthony Fraser, director of the UK Society of Motor Manufacturers and Traders (SMMT) suggests that the change would mean direct investment costs to the motor industry of between £100m and £350m, depending on time scales.

The society also estimates that the additional cost for each new car would be £40 to £60 (including UK tax) at 1983 prices.

However, the Royal Commission report warned that statistics about the cost of switching to lead-free petrol must be treated with care.

"Clearly much will depend on the individual manufacturers' marketing strategy at the time." And the commission added that £6 to £14 on the cost of a new car "may be a more reliable guide to the level of price increase which ought in practice to be sufficient to amortise actual costs."

Lead was first used in petrol about 60 years ago because it has two particular properties which the oil and motor industries found beneficial.

The prime consideration is that it is an "anti-knock" agent which helps the smooth combustion of the air and fuel mixture in the cylinder. This, in turn, enables the production of engines with higher compression ratios (the ratio of the maximum to the minimum volume of the cylinder, or the extent to which the fuel and air mixture is compressed). The higher the compression ratio, the more efficient the engine.

The degree to which petrol resists knock is defined by reference to an artificial scale of octane numbers—the higher the octane number, the better the anti-knock properties.

Moving, as planned, from 97 octane leaded petrol to a 92 octane non-leaded will mean that engines must be redesigned for lower compression ratios.

According to the SMMT, the fuel consumption penalty on average will be 5 per cent. Again the commission's report dismisses this argument, saying that potential future improvements in fuel economy are so great as to make the penalty from going to lead-free petrol "marginal."

The second property in lead the engine makers found beneficial was that it lubricates the valves. Without this lubrication, valve seats have to be hardened and the valves themselves made of a tougher metal—thus adding to production costs.

The main debating point within the European industry about the switch to unleaded petrol concerns the octane rating of the fuel. The British manufacturers have accepted the oil companies' arguments that 92-octane unleaded is the most viable proposition (this is already used in the U.S.). But German companies are pressing for the existing higher octane levels to remain when unleaded petrol is introduced — thus dramatically increasing the oil companies' costs.

Engines with lower compression ratios have slower acceleration and lower top speeds. While this might be acceptable in the U.S. or Japan, where motoring habits are entirely different from those in Europe, the German manufacturers, operating in the only country in the world where motorways have no top speed limit, are not convinced that their customers would feel the same.

The German car makers rely heavily on their high-technology image in marketing their vehicles at prices well above those of rivals like the Japanese.

However, the Royal Commission points out that many Japanese cars imported to the UK with low-compression engines match the fuel economy of European cars with high-compression engines.

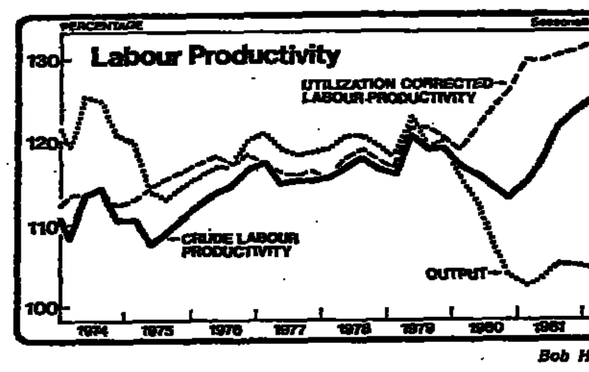
"Although the evidence we have received does not stress the point, it is clear to us that the prospect of further Japanese penetration lies behind much of the concern about the competitive implications of a move to unleaded petrol, at least in the UK," it declares.

The question of a joint EEC policy on lead in petrol is under close scrutiny in Brussels. A European Commission working group has been investigating the whole question of emissions from cars—including lead—and is due to report in June. The European Parliament is almost certain to suport a ban, so the UK's new plan might be well-timed to keep the European initiative moving.

UK Industrial Productivity

How permanent is the 'Thatcher effect'?

By John Muellbauer



Bob Hutchison

APART FROM the fall in the rate of inflation, the Government's defence of its economic record has been heavily based on a set of Japanese-style productivity growth figures for British manufacturing industry since 1980. These are claimed to represent a fundamental break from past trends and an optimistic portent for the future. But how genuine is this Thatcher productivity breakthrough, what are its causes and is it still continuing?

My research* suggests the following answers:

- There was indeed a genuine breakthrough which began in 1980.
- The crude figures of output per head are open to misinterpretation. Even these figures show that the breakthrough had come to a halt by the spring of 1982. From end-1979 to end-1982 the rate of growth was *below* that of 1970.
- If the figures are adjusted for short-term ups and downs in utilisation of labour, the breakthrough is seen to have already petered out by the spring of 1981.
- Dating the breakthrough from spring 1980 to spring 1981 suggests its main cause: the drastic shedding of plant, labour and management which on the average tended to be less productive than the surviving parts of British manufacturing industry.
- Productivity growth is unlikely to exceed that of the 1970s unless there is a substantial recovery in new investment.

According to the Central Statistical Office's Economic Trends, from the last quarter of 1980 to the second quarter of 1982, output per head grew at 7.6 per cent per annum and output per person-hour at 6.5 per cent per annum (all figures are on a logscale). These figures certainly look dramatic relative to comparable figures for the decade 1971-81 of 2.2 and 2.7 per cent. But doubts are raised when one notices that from end-1979 to end-1980 output per head actually fell by 6.8 per cent, while manufacturing output dropped 16.2 per cent. Such an output collapse is unparalleled in British post-war history and was not even achieved during the inter-war period. Given the costs of making workers redundant and, no doubt, the hope that the domestic recession imposed on top of a world slowdown would not last, employment declined more slowly than output. Output per head therefore fell.

Clearly a large part of the subsequent productivity growth was merely the recovery in output per head when output bottomed out in 1981 while employment continued to fall.

However, there is more to the story and the figures for output per person-hour reveal it: there the decline between the last quarters of 1979 and 1980 was only 1.9 per cent, substantially less than the subsequent improvement. Therefore there *was* a genuine breakthrough.

How did this come about? The Government has made much of examples from particular parts of industry such as British Steel and British Leyland. These suggest that two alternative mechanisms may have been operating. One is the once and for all "shake-out" of less efficient resources mentioned above. The other more permanent view proposes that the shake-out has brought about a new era of industrial relations in which power has shifted towards management, workers and unions being less able to engage in restrictive practices or resist the introduction of new technoligy.

The published productivity figures used to argue permanence contain short-term cyclical variations in over- and under-utilisation of labour which can easily be misinterpreted as long-term improvements. Measuring productivity by output per person *hour* lessens, but does not eliminate, these cyclical variations. The problem is that paid for hours are not in themselves an accurate measure of utilisation, particularly under-utilisation.

In our model of output, utilisation is estimated as a function of overtime hours, producing a utilisation corrected productivity graph—the dashed line in the chart. This contrasts with the continuous line which is output per head adjusted only for normal hours, altering little over the period. The evidence is very significant. After correcting for utilisation, the dramatic productivity gains are seen to concentrate between the springs of 1980 and 1981.

The 1981-82 improvement in crude productivity is largely due to a cyclical increase in the rate of utilisation. The uncorrected figures initially disguised these facts; over the last three quarters of 1982, however, they also show very little improvement, a fact which has not been widely noted.

The evidence of the chart above denies a more permanent Thatcher effect on the rate of productivity growth. In the last three years, manufacturing employment fell 23 per cent and output 18 per cent. The accompanying slump in investment is hardly surprising. Productivity improves with investment so utilisation corrected productivity may overtake the 1970s rates if investment recovers. Unless this happens, the implications of the chart for future gains in productivity are bleak.

**With Dr Lionel Mendis of the London School of Economics, and supported by the Social Science Research Council.*

The author is a Fellow of Nuffield College, Oxford.

Letters to the Editor

Parliament, the right to strike and essential services

From Sir Leonard Neal

Sir, — As co-author of a recent report which advocated that the right to strike (particularly in essential services) should be discouraged, may I be permitted to comment on your report of Mr Tebbit's views on these matters (April 5) and also your report of his statement to the Commons select committee on employment, reported April 14.

Let me dispose of the "do-nothing" excuse surrounding Betteshanger colliery, at the start. This event has, over the years, weakened the spines of too many Conservative Ministers who may have been expected to protect the public from the misuse of Trade Union power. No one is proposing the incarceration of thousands of miners, nurses or other workers — merely that trade unions which officially support or fail to disown strikes by their members, in certain limited services, should, by that support or failure, lose the privileges that Parliament has made available to them and would be exposed to financial and other sanctions imposed by the courts.

So far as the workforce in these industries and services is concerned, we take the view that the vast majority is weary and sick of these endless, pointless disputes. Unfortunately, "Tail-board" demagoguery plus the closed shop and militant picketing so often make it difficult for this silent majority to exercise its own preferences. When to this is added the restraints imposed on the police and the failure of Ministers to provide us with the public order for which they were elected, then we have not surprisingly the anarchy that prevails from time to time in industry and services.

But, if Ministers do not intend, either now or after the next election, to provide the public with these necessary curbs on union disorder, then they should discipline themselves to an on going period of silence — particularly over such alleged remarks about not removing the right to strike in essential services. They should re-read recent history and remember how the 1971 Act made the closed shop void. This restriction was then removed by the egregious Michael Foot in 1974, and this had the effect of loosing upon an unfortunate industry a wave of closed shop extensions by unions and management who now were persuaded that that was what Parliament wanted.

And of course innocent railwaymen and others were victimised in the process.

Equally the prohibitions on strikes in the public utilities introduced by the Acts of 1875 and 1919, were accompanied by an almost unknown resort to strikes in electricity, water and gas. (There was only one prosecution and that was in the gas industry in 1951.) Unfortunately, the Industrial Relations Act of 1971 also removed these prohibitions because the then Conservative Government believed them to be offensive to the TUC, and (in consequence) we now have our water strikes!

The point to be emphasised here, is that declarations by Ministers that they pledge themselves not to restrict these rights to strike in such services is to encourage the militants in those services to proclaim that even "this Government approves your right to strike." That this is a monstrous distortion of Mr Tebbit's attitude would be beside the point — the argument will be made in those terms and Ministers who have failed to provide the public with its rightful protection will bear the ignominy. All that will be left to us then, presumably, will be prayer, for the immorality of anyone wishing to have the right to strike that involves the health, life and safety of ordinary people is unthinkable.

(Sir) Leonard Neal
68 Millbank Court,
24 John Islip Street, SW1

Producing carpets cheaply

From the Assistant Director, British Carpet Manufacturers' Association

Sir,—We are indebted to Mr Van der Wiele (April 12) for his explanation of how Belgian carpet manufacturers produce their woven carpets so cheaply (at an average price in 1982 according to HM Customs of £5.30 per square metre cif).

Could he also throw some light on the manufacturing techniques of producing tufted carpet at an average price in 1982 of £2.17 per square metre cif, 23m square metres of which were imported from Belgium to this country last year compared with under 1m square metres of woven carpet?

M. Smith.
Royalty House,
72 Dean Street, W1

Three-dimensional cameras

From the Chairman, Nimslo Corporation

Sir,—Mr Chittock's article (March 30) regarded the Nimslo three-dimensional system was in error on several points.

The optical principles on which the Nimslo camera works are not the old conventional bases of stereographic photography. In fact, our inventions completely eliminate one of the key theories of the last 140 years: that each lens in the camera should be 2½ inches apart to match the human eye separation.

Examining the literature of our field will show numerous attempts and failures to overcome the interocular separation problem, the principal reasons in the past that no mass-produced three-dimensional camera has been available to the consumer. Since we solved that problem, ours is the first.

Mr Chittock is again incorrect on his guess as to how our system works when it comes to viewing pictures. We do not "emboss over the surface of the prints a plastic screen." The methodology used in our system is entirely different from previous approaches and is fully patented. Patents are not granted for principles already established.

In summary, the first section of Mr Chittock's article is factually incorrect. His next part regarding image quality is in the eye of the beholder, therefore, it can be argued on both sides. Data compiled by independent testing organisations over the last two years from several thousand consumers show a 70 per cent favourable response to our three-dimensional images.

Jerry C. Nims,
1, Nimslo Park,
Atlanta, Georgia, 30338, U.S.

Bring back judges

From the Chairman, British Legal Association.

Sir,—I agree with the complaints made (M. S. Posner, April 12 and R. Wright, March 31) as to the delay and ineffectiveness of remedies often available in the county courts.

Successive Governments have consistently tried to pretend that by restricting costs awarded in county courts and the siting of these, more and more, in palatial buildings in city centres, they are providing justice on the cheap. They are not.

Bring back judges and registrars who sit more often in small towns—if only once every two months or as and when required in makeshift accommodation. Award the successful party all costs reasonably incurred and not of unreasonable amount—as the courts have power to do without any need for legislation. This way much that is wrong will be put right.

The county court system has been made a political football, which is a thousand pities because it has in the past been the best means of attaining justice for most people: it could be now, as with Sheriff courts in Scotland.

Stanley Best,
116, London Road,
Southborough,
Tunbridge Wells,
Kent.

A marginal advantage

From the Deputy Chairman, Campaign for Lead-Free Air

Sir,—The issue of lead and intelligence cannot be dismissed as trivial despite Michael Dixon's attempts to make it so (April 15). Small differences in IQ may not be crucial for individual children, but they assume far greater significance when applied to populations as a whole. As has been emphasised, lowering the IQ of a population by 5 points more than doubles the number of mentally retarded children.

In the context of lead the latest London study showed a 5 points IQ deficit before correction for social factor, and an IQ deficit of 2.7 points after correction. These results are in agreement with the other three tooth lead studies already published. There are, however, several reasons why such studies may underestimate the real magnitude of the lead effect. They compare groups of children who differ only in their degree of exposure. There is no evidence to show that the "low lead" children are not affected also. There are serious methodological problems associated with all the epidemiological studies. Difficulties in accurately measuring lead burdens and the effects of lead at different periods of development introduce a large amount of random error into the studies. The effect of random error is to render significant results insignificant (as opposed to systematic error which has the opposite effect). As your article emphasises, IQ tests are only an imperfect measure of brain function in the real world. The implication of this argument is that the real effects of lead may be much greater than those demonstrated by formalised tests of cognitive function.

On one issue, however, Michael Dixon and I are in agreement. Historians will surely look back on the present debate with fascination, but also I feel with disbelief that any civilised society would knowingly hazard the mental health of future generations for what is at best a marginal technological advantage.

It is this aspect of the debate more than any other which has persuaded the Royal Commission (April 19) to recommend the abolition of lead in petrol.

(Dr) R. Russell Jones.
2 Northdown Street, N1.

Pumping out the aerosols

From the Commercial Director, Sundt Plastics

Sir, — Good luck to Unigroup (April 13) in its aim to raise £600,000 in equity to launch a Swedish pump mechanism to revolutionise the 528m a year UK aerosol market.

We do take issue, however, with your correspondent's assertion that other varieties of pumps have been introduced without any great success into the UK market.

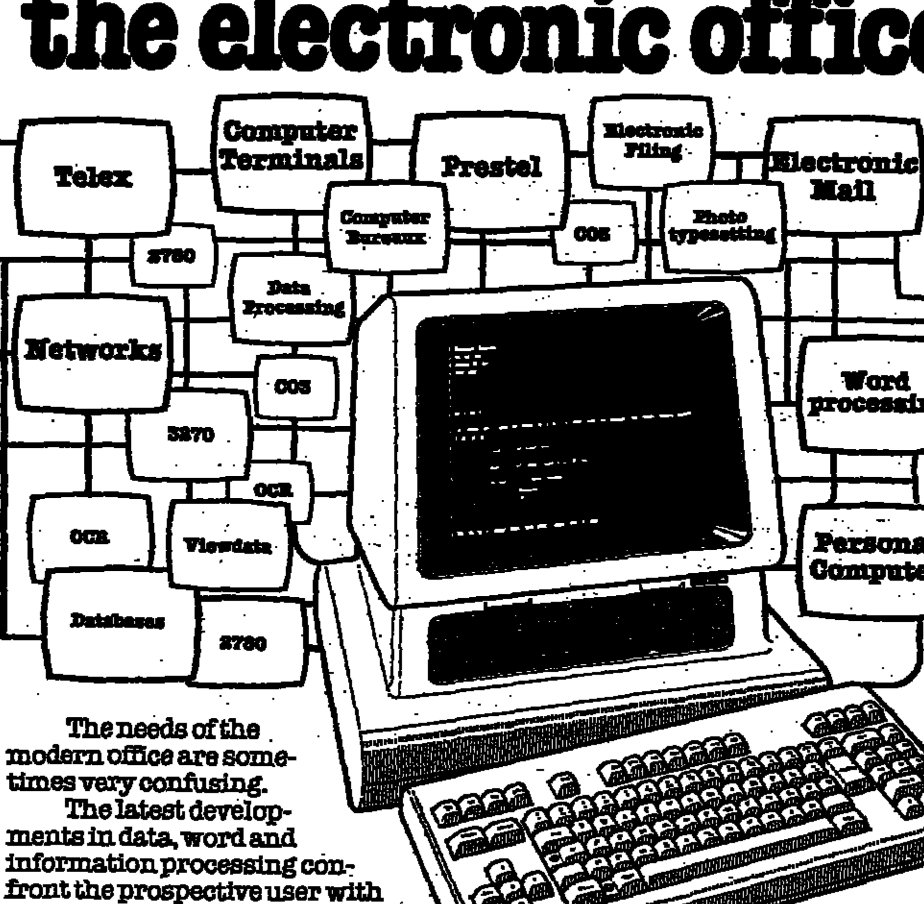
A look round motor accessory, horticultural and supermarket outlets will show that many British liquid products now rely on pump dispensers as an alternative to aerosols. These pumps are almost all imported, but there is no doubting their increasing presence.

A mechanical trigger pump which my company began producing late last year is already on a car polish pack with which Simoniz is having substantial sales success and other new products soon to be launched already assure this first volume-produced British pump of sales well up to projections. These are based on the penetration of mechanical pumps in the two main established markets of the USA and Japan. In America, for instance, sales of mechanical pump dispensers have grown 30 per cent per annum on average for the last six years where the market now stands in excess of 300m units. Our own projections for Europe are in line with the American market spread and rate of growth.

W. C. Taylor.
Sundt Plastics
Martins Road, Hanham,
Bristol

Wordplex

Simplifies the electronic office



The needs of the modern office are sometimes very confusing.

The latest developments in data, word and information processing confront the prospective user with an impossible variety of choice.

At Wordplex we recognise the problem and provide a positive, yet simple, solution.

Into a single workstation we have embodied all the functions, facilities and services of the electronic office essential to today's business needs.

A workstation so well connected that there is simply no need to invest in a multitude of different devices. And of course, all this is built around the most advanced word processing system available today.

So now, there's no need for confusion.

Talk to Wordplex, and find out how to simplify the electronic office.

Wordplex — the well connected workstation

Contact Roger Winder, Director of Marketing, Wordplex Ltd., Excel House, De Montfort Road, Reading, Berkshire RG1 8LP.

هكذا من الأصل

DOWTY
ELECTRONICS
tomorrow's
technology today
Tel: 01 992 3434 Telex: 264487
Ø

FINANCIAL TIMES

Wednesday April 20 1983

Tarmac
construction
Building Management
Tel 0902 22431

UK ECONOMIST GIVES EXPRESSION TO FINANCIAL FACTS

Putting a face to a company's fortune

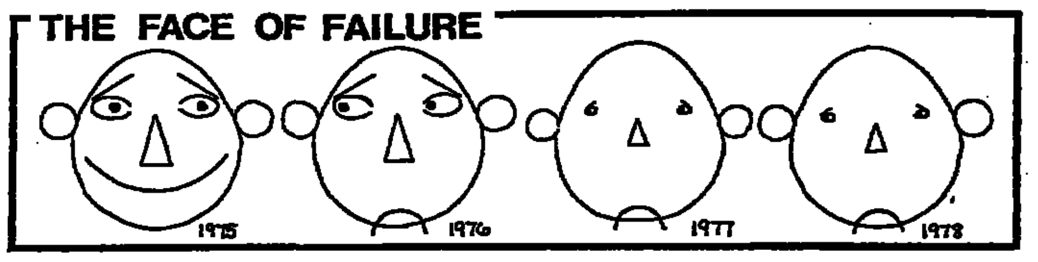
BY CHARLES BATCHELOR IN LONDON

DRAW a "face" of a company's financial performance, and you have the best way of discovering the state of its health. This is the conclusion of Mr Malcolm Smith, senior lecturer in business studies at the Cambridge College of Arts and Technology.

Mr Smith has developed a system which, he claims, makes financial data clear to those who are not trained accountants, and even helps experts interpret financial ratios more accurately.

A smiling face with large eyes and perky eyebrows signifies a company with a healthy profit-and-loss account and a strong balance sheet. A sad face with pinched features indicates a company which may be going bust – if it has not gone that way already.

THE FACE OF FAILURE



If the idea sounds too silly to be true, 50 financial controllers, finance directors, group accountants and treasurers from companies such as ICI, Plessey, British Petroleum, Pilkington and Amoco spent yesterday lunchtime trying out the Smith method at a seminar arranged in London by Dun and Bradstreet, the business information group.

Many of the experts acknowledged that not only would the system be useful for less financially sophisticated colleagues, it would also help their own analysis of a company's prospects.

Mr Smith's "pictic" system is based on an idea originally developed in the U.S. to present information on geological samples. It has also been used experimentally in medical analysis.

A smiling mouth indicates that a company's profitability is good; a downturned mouth that it is making losses. Big eyes show borrowing is low; small eyes that a company is overborrowed.

Long eyebrows which form a V shape show liquidity is good; small A-shaped brows that liquidity is tight. A large triangular nose shows that working capital position is strong; a small nose that it is weak.

Mr Smith reckons that the time taken to interpret a set of accounts can be cut from 20 minutes to less than one minute if they are presented in "facial" form.

Accuracy also improves if the face method is used, he claims. Tests have shown that even financial experts arrive at vastly differing conclusions from the same sets of financial ratios.

The faces method does take some time, however, to become familiar with. Many people set greatest store by the company's "mouth" – indication of profitability – when some of the other features may show a very different balance sheet position.

"It may look frivolous and novel but the faces are not quite as silly as they look," Mr Smith said.

EEC plan for worker directors blocked

By John Wyles in Brussels

ADOPTION by the European Commission of a controversial directive introducing worker participation to companies within the EEC is being blocked by last-minute disagreements among Commissioners.

Mr Frans Andriessen, the Dutch Commissioner responsible for Competition Policy, stepped in to prevent the Commission from adopting the Fifth Company Law Directive as scheduled on April 7.

Since then, he has been negotiating with his colleague responsible for piloting the proposed legislation, West Germany's Herr Karl Heinz Narjes, over changes in the way the draft directive would affect public companies organised as groups.

The timing of Mr Andriessen's intervention was prompted by Herr Narjes' failure to circulate his draft informally. The Dutch Commissioner confirmed yesterday that his intention in part was to represent the views of the two Anglo-Dutch multinationals, Unilever and Royal Dutch Shell, who are said to be concerned about the potential impact of the proposed directive.

The two companies, together with other European groups, had hoped that they would escape the directive after the European Parliament came out last May in favour of excluding groups from its scope. The Commission took the view that this would rob the legislation of practical significance, although Herr Narjes has built in opportunities for member states to grant exemptions for groups in certain circumstances.

As Commissioner responsible for relations with the Parliament, however, Mr Andriessen has argued that the draft does not go far enough to respect the Parliament's wishes.

As a Dutchman, he has also raised the anxieties voiced by both Unilever and Shell that the directive could conflict with and possibly undermine Dutch legislation governing employee participation in public companies.

The Netherlands operates a sophisticated system of works councils with wide-ranging consultation rights. Managements must win the consent of their works councils for a range of decisions over such things as pensions, profit sharing and working time.

The Commission's basic intention is to build upon such existing participation systems in the Netherlands and West Germany, and this is why its draft is so fundamentally different from the original Fifth Directive adopted in October, 1972.

This sought to impose the German two-tier codetermination system of management and supervisory boards on all public companies. Hostile reaction from industries and governments forced a switch to a much more flexible system.

The revised draft would enable companies to retain a unitary single board system or a two-tier arrangement.

Thai parties seek deal with army after election success

BY RICHARD COWPER IN BANGKOK

THAILAND's voters have inflicted a notable political defeat on the country's army generals in parliamentary elections which were widely viewed as a referendum on the future military control of Thai public affairs.

The army seems unlikely, however, to accept the outcome with equanimity. In recognition of that, there are growing indications that a compromise may be reached between those civilians who want a fully fledged democracy and those who believe that for the sake of political stability the military must be guaranteed an important role in government.

The three civilian coalition partners in the outgoing government of General Prem Tinsulanonda scored a clear majority over a collection of army-backed parties in Monday's general election, which attracted one of the highest turnouts in Thai history. No single party, however, obtained enough seats to form a government on its own.

The Social Action Party, the Democrat Party and the Chart Thai Party together won 69 per cent of the 324 parliamentary seats contested in Monday's election, the 13th since Thailand became a constitutional monarchy in 1932. That was a marked improvement on *their performance in the last election in 1979, when they won 51 per cent of the seats.*

In sharp contrast, the three main army-backed parties, led by the Thai Citizens' Party of Mr Samak Sundarabej, managed to win only 16 per cent of the seats.

The civilian parties last month successfully defeated a controversial attempt by the army to amend the constitution in its favour. Despite their parliamentary victory, there was continuing pressure from the army, and the three parties turned the slogan "Dictatorship versus Democracy" into one of the central issues of the election campaign.

Their victory at the polls, after a 10 per cent increase in turnout, was therefore the second main political setback for the army in the past month.

Despite the apparent blow to army ambitions, however, it remains to be seen exactly what form the new coalition government will take, following what is expected to be a crucial and frenzied period of negotiations between the parties, the army and the powerful Thai monarchy over the next fortnight.

The military – led by its new rising star, army commander-in-chief General Arthit Kamlang-Ek – seems unlikely to accept the new democratic constitution which *comes into full force in just two* days' time. This would reduce considerably the power of the military-dominated Senate, and prevent serving army officers from being elected to government posts.

The army is clearly not willing to accept the possibility of a civilian as the country's next defence minister. The civilian parties have already put out peace feelers to the military, and, because they fear an army coup, there is a growing consensus that some kind of compromise must be found.

The army, as well as most parties and political groups, have made clear since the election results became known that the outgoing Prime Minister, Gen Prem, is the only candidate who would be acceptable to all sides. He now seems almost certain to emerge as Thailand's next Prime Minister. As a former army general, said to be closely linked to Gen Arthit, he is expected to ensure that at least some of the army's demands are met.

Exactly which parties will make up the coalition government is less clear. Before the election, the army was clearly hoping to win enough votes to form a right-wing coalition led by the Thai Citizens' Party, but their defeat at the polls now makes *that highly unlikely.*

Threat to $1bn Nigerian loans

BY QUENTIN PEEL AND MARGARET HUGHES IN LONDON

BANKS INVOLVED in financing trade with Nigeria are scheduled to meet in London today in a renewed effort to put together a loan package of $1bn or more designed to ease the country's huge backlog of trade payments.

Prospects for an early agreement have, however, been jeopardised by serious differences between the U.S. and European banks most heavily involved.

In an effort to reach a solution acceptable to the U.S. banks, the term of the loan may be kept to less than one year, rather than the 18 months to two year-term originally proposed. Bankers point out that 364-day credit would not automatically be involved in any subsequent debt rescheduling Nigeria may have to undertake.

The Nigerian Government last year retained the "troika" of three merchant banks – S.G. Warburg, Lazard Freres and Lehman Brothers Kuhn Loeb – as financial advisers, but they have not so far been directly involved in the meetings convened by Barclays.

Bankers in London said yesterday that there was a clear divide between the American and European banks over whether they should provide Nigeria with a short-term loan without the Nigerian Government agreeing on a full economic austerity programme with the International Monetary Fund.

The differences at the meeting convened last week by Barclays Bank international and attended by 14 other banks from Britain, France, the U.S. and West Germany, at which the U.S. bankers were highly critical of Nigeria's efforts to tackle its balance of payments crisis and backlog of trade payments estimated at up to $5bn.

Today's meeting is expected to be attended only by the "sympathetic" banks, including Barclays, Standard Chartered, Banque Nationale de Paris and Société Générale, bankers said. They are all heavily involved in Nigerian trade through subsidiaries in Nigeria, and are understood to be reopen lines of credit suspended because of the extent of arrears in trade payments.

The proposed facility would amount to conversion of each bank's outstanding trade credit into a formal loan, rather than lending any new money to Nigeria. But the Nigerian Government is also seeking cash to repay arrears owned to traders, on open account and bills of exchange, who account for a large proportion of the country's imports. Under the proposed loans arrangement each bank will be asked to lend pro rata to its existing exposure.

Split on Reagan budget strategy

Continued from Page 1

budget of only 4 per cent in real terms.

Mr Stockman's document warns that in this climate there is a high chance that the Administration will lose control over the budget or that Congress may fail to approve one altogether.

The budget, controversy flared as speculation intensified in Washington over the future of Mr Paul Volcker, the Chairman of the Federal Reserve Board, who is up for reappointment in August.

The White House has stressed that Mr Reagan has not made his final decision, but Administration officials said most of his top advisers, apart from Mr Martin Feldstein, chairman of the Council of Economic Advisors, favoured replacing him.

The officials said a shortlist of three to five possible successors had been drawn up and was under study. Leading candidates on the list were said to include Mr Preston Martin, appointed vice-chairman of the Fed by Mr Reagan last year, and Mr Alan Greenspan, who was chairman of the Council of Economic Advisers under President Gerald Ford.

"Long shots" were said to be Professor Milton Friedman, the controversial Nobel prize-winning economist who has strongly influenced Reagan Administration policy, and Mr Beryl Sprinkel.

U.S. Steel optimistic on BSC venture

By Richard Lambert in New York

MR DAVID RODERICK, chairman of the U.S. Steel Corporation, said yesterday that the equity capital invested by the British Steel Corporation in a proposed joint venture at U.S. Steel's Fairless works near Philadelphia would also help to preserve jobs at other U.S. Steel plants.

Although the details of the proposed venture have never been confirmed, it is understood that BSC and U.S. Steel would invest hundreds of millions of dollars in modernising the finishing mills at Fairless. However, crude steelmaking at the works would end and slabs for the mills would be supplied exclusively from BSC's Ravenscraig works in Scotland.

Mr Roderick, speaking at a closed meeting of the Congressional steel caucus in Washington, said that the first $300m to $400m of profits from the joint venture would be reinvested at Fairless to ensure its future competitive position.

The equity capital contributed by a British financial commitment to the joint venture would be used to modernise *facilities* at other U.S. Steel plants, he added.

In a statement released before the meeting, Mr Roderick strongly defended the venture with BSC as "good for our company, our workers, our economy and I think for the country." Union officials have opposed the plan, saying it would lead to the loss of the jobs of 2,000 to 3,000 Fairless workers. Mr Peter Kostmayer, a member of the House of Representatives for the district in which the works is located, has vowed to try to block the deal in Congress.

Mr Roderick argued that there were only three options for the fairless plant. One was to leave it with its present facilities, which would inevitably lead to a shutdown by the end of the decade. Another would be to rebuild the works, at a cost of $1.9bn. This, he said, was not financially viable.

The third option was the joint venture with British Steel, which would preserve about 5,000 jobs in the finishing department while providing for the gradual phase-out of the hot side of the plant over a period of a year or more. About 1,800 jobs would be affected under such an arrangement.

Merck lifts first-quarter profits by 4%

By Richard Lambert in New York

MERCK and Company, a leading U.S. pharmaceutical group, lifted first-quarter earnings by 4 per cent to $113.7m or $1.54 per share. The company said that earnings would have been 37 cents a share higher but for the unfavourable impact of exchange-rate movements. Earnings had also been held down by a higher effective tax rate, amounting to 5 cents a share.

Merck reported strong gains in sales volumes for its human health and animal health products, but said that its speciality chemical and environmental products side had significantly depressed the first-quarter results. "However, there are strong indications that the economy is improving, which should have a beneficial impact on future results," the company added. Sales in the period rose by 4 per cent to $771m.

American Home Products, a major manufacturer of drugs and household products, reported first-quarter earnings of $157.1m, or $1 a share, compared with $145.1m, or 93 cents a share, last year.

More U.S. results, Page 13, 14

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	18	66	Dubrovnik	–	–	–	Malaga	F	17	63	Salzburg	S	22	72
Akrotiri	S	17	63	Faro	R	17	63	Malta	C	19	66	Seoul	S	21	70
Algiers	S	22	72	Florence	C	18	64	Manila	S	37	99	Singapore	S	35	95
Amsterdam	C	8	46	Frankfurt	F	17	63	Miami	C	24	75	Stockholm	S	10	50
Athens	C	17	63	Funchal	C	19	66	Milan	D	11	52	Strasbourg	C	14	57
Bahrain	S	27	81	Geneva	C	13	55	Moscow	C	14	57	Sydney	S	22	72
Bangkok	S	35	95	Gibraltar	F	19	66	Munich	S	21	70	Taipei	S	28	82
Barcelona	S	18	64	Guernsey	F	8	46	Nairobi	F	28	82	Tangier	F	17	63
Beirut	S	18	64	Helsinki	F	10	50	Naples	D	17	63	Tehran	–	–	–
Belgrade	C	20	68	H. Kong	C	26	79	New Delhi	S	29	84	Tel Aviv	–	–	–
Berlin	S	17	63	Innsbruck	S	16	61	New York	C	10	50	Tenerife	F	21	70
Biarritz	F	14	57	Inverness	C	4	39	Nice	C	15	59	Tokyo	C	18	64
Blackpool	R	5	41	Istanbul	S	15	59	Oporto	F	11	52	Toronto	C	3	37
Bordeaux	C	8	48	Jersey	F	9	48	Oslo	F	11	52	Tunis	S	24	75
Brussels	C	10	50	Jo'burg	F	19	66	Paris	F	12	54	Valencia	F	20	68
Budapest	F	20	68	Las Palmas	F	20	68	Prague	S	17	63	Venice	C	12	54
B Aires	R	21	70	Lima	S	29	84	Reykjavik	Sn	0	32	Vienna	C	18	64
Cairo	S	23	73	Lisbon	F	15	59	Rio de J'o	C	31	88	Warsaw	S	14	57
Cape Town	–	–	–	Locarno	R	9	48	Rome	R	19	66	Zurich	S	18	64
Caracas	R	26	79	London	C	7	45								
Casablanca	C	19	66	Los Angeles	C	20	68								
Copenhagen	S	11	52	Luxembourg	R	7	45								
Corfu	C	16	61	Madrid	F	12	54								
Dublin	F	7	45	Majorca	S	20	68								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Bid for Allegheny likely

BY WILLIAM HALL IN NEW YORK

NIPPON Steel, Japan's biggest steel company, is having talks with Allegheny International of the U.S. which could lead to the acquisition of Allegheny's Special Metals Corporation, the major unit in its speciality metals business. Several other companies, including some in the U.S., are also talking with Allegheny about purchasing the company, which is one of the country's biggest producers of high-grade alloys.

Allegheny confirmed yesterday that it had been talking with several parties about the possible sale of Special Metals Corporation. It refused to give details of the size of the company, which is based in New York state, but said it had made a profit in 1982 despite the downturn in sales of commercial and military aircraft, the main users of its special alloys.

Nippon steel's interest in buying Special Metals Corporation follows the news last summer that another major Japanese steelmaker, Nippon Kokan, was leading a consortium which plans to take a 75 per cent stake in Ford Motor Company's Rouge Steel Company, the eighth biggest steelmaker in the U.S. An announcement is expected within the next month on this deal.

THE LEX COLUMN

Honda rides out the recession

The Japanese motorcycle industry took its first serious spill in 1982 after 20 years of virtually uninterrupted acceleration. But the debacle hardly seems to have troubled Honda, which has ridden through to a 29 per cent increase in parent-company net profits at Y31.3bn, and the promise of a 5 per cent dividend increase for the current year to February. Indeed, the discomfort of its competitors is partly explained by Honda's spurt in the home market, where it has gained ground in both motorcycles and cars.

Honda has surged ahead – admittedly with the help of a reduced tax charge – after suffering a big reverse in motorcycles only two years ago, when Yamaha's unit sales rose by over 30 per cent in Japan. The setback stung Honda into a phenomenal programme of 44 new product launches, increasing domestic volume last year by just under 30 per cent, and pushing its market share up from 39 to 42 per cent.

This expansion, which was just enough to make up for the 13 per cent fall in overseas unit sales, effectively condemned the competition. Yamaha, which had been planning to boost capacity to 4m units a year, ended by cutting production to under 2m, and reducing its dividend by 40 per cent; at the same time, Suzuki's first half unit sales fell by 21 per cent, while Kawasaki Heavy Industries omitted its dividend altogether, putting the main blame on its motorcycle interests.

In Tokyo there is now some talk of industry reconstruction to cope with world overcapacity. Honda itself has been trimming motorcycle output this year and the stock market is looking for no more than a flat profit performance. But the group's buoyant car division, which enjoyed a 7 per cent overall volume increase last year, should give it some insulation from these pressures. The car activities are still eating up cash faster than motorcycles can generate it – last year the company floated two convertible bonds and a 40m share issue. So investors will clearly have to face up to continuing demands as it expands the car interests to a size where it is capable of meeting the likes of Toyota on their own ground.

BTR/Tilling

BTR has sprung no surprises in the document detailing its offer for Thomas Tilling. The industrial logic of the bid is presented hazily at best, which may be understandable given the complexity and diversity of the two companies.

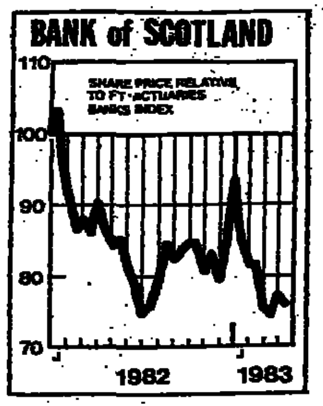
The document does, however, provide BTR with a platform from which to bombard Tilling shareholders with graphs and tables illustrating the divergent performance of the two groups. The management card is played for all it is worth and this, without a doubt, is the one which Tilling will find hardest to trump in its own defence document.

The tactics adopted by BTR remain a mystery. Even after the failure of its dawn raid, the company is buying shares in the market at prices around 5p per share above its 185p cash offer. This stratagem is helping to prop up the Tilling price – which closed at 190p last night – and must also encourage speculation that it is prepared to contemplate a higher offer.

Apart from anything else, the equity offer must presently look more attractive to most Tilling shareholders, despite the implicit reduction in 1983 income. Last night, it valued Tilling shares at around 208p. And a glance at the pro-forma balance sheet of the combined group suggests that BTR may prefer to emphasise the paper offer as well. Maximum acceptance of the cash offer would leave debt equivalent to three quarters of tangible net worth.

Bank of Scotland

BANK of SCOTLAND



With Hong Kong and Los Angeles offices now included in its miniature international division, the Bank of Scotland has been shedding some of its time-honoured conservatism. But even after several recent changes at a senior level, the bank is unlikely in the wake of its latest results to see much point in rushing after the more exotic borrowers proving so costly to the major clearers.

Before taking account of bad debt provisions and gilt profits – a mere £1¼m in this case – the Bank of Scotland's pre-tax profits advance at 14.6 per cent is just a shade under the average achieved by the other clearers. But the bank's much smaller exposure to international risk has curtailed the debt provision's relative growth, rather as earlier generous provisions curtailed the 1982 provision's growth at the Midland. The Bank of Scotland has not converted this on its bottom line as successfully as did the Midland and its expenses have climbed steeply by comparison, effectively cancelling a 12 per cent gain in gross operating income. None the less, pre-tax profits have held up well in a difficult year to reach £46.4m against £47.4m.

In its UK operations, the bank has responded in much the same way as the four clearers to the current environment, notably by roughly doubling its wholesale money book in order to fund a 31 per cent growth in sterling advances. Bank of Scotland shares remain sensitive to developments in the international banking market but are likely to respond differently from the rest of the market, since they offer less recovery potential but more security. Meanwhile, after jumping 23p to 478p, the shares are yielding 7.4 per cent on the basis of the boosted dividend.

Mnemos

The cavalcade of companies trooping on to the Unlisted Securities Market shows no sign of thinning. Yesterday, four companies announced their imminent arrival, including Mnemos, a single-product subsidiary of Comtech, itself floated on to the full market by Tricentrol in 1981.

Mnemos, which has developed a new system of information distribution and retrieval, has been touting for custom for almost two years. So far, despite tantalising negotiations with Volkswagen, it has failed to land an order and, together with its parent, is in need of cash.

The flotation provides the directors with extremely exotic share options but outside shareholders, who could be bemused by the projections of 1988 revenues, may prefer to take up just the rights being offered simultaneously by Comtech, which retains control of its cash-hungry offspring.

ADVERTISEMENT

NEWS REVIEW

BUSINESS

Ferranti in Swedish radar development

Ericsson of Sweden and Ferranti have signed a contract for development and production of equipment for the JAS 39 aircraft.
Ferranti is involved in the definition phase and has been awarded a development and production contract for the antenna pedestal. Ferranti will also participate in system work and design and development of the radar signal processor.
The two companies will also co-operate in proposals for advanced airborne pulse doppler radars.

Powering MAVIS

The Military Vehicle and Engineering Establishment has awarded a contract to Ferranti Computer Systems for development of a military specification power supply unit for the Modular Assembled Vehicle Installation System — MAVIS, which is being evaluated for the next generation of electronics in armoured fighting vehicles.

Briefly . . .

The Department of Transport has granted Stage 2 approval to the Ferranti high capacity outstation data transmission unit for computer-based urban traffic control applications.
Ferranti is the fastest growing semi-conductor manufacturer with a growth rate of 30% against a world figure of 2.6%, according to 1982 market share estimates by Dataquest Inc.

TELEPHONES

Accounting for calls

An add-on automated telephone call accounting system for PABXs is now available from Ferranti GTE.
The MACS (Metering and Accounting System) is an efficient method of telephone data management and recording for business. The system replaces manual methods of call logging and billing. Applications include the complete or partial analysis of outgoing business calls.
Completely flexible, MACS can be programmed to provide only the information desired by the user in tailored format such as details of outgoing calls by extension, cost centre or department. It can also be programmed to give immediate data on all high cost telephone calls or calls to special numbers.
Records can be accessed at any time without interrupting the operation of the system. All, or any part, of the data can be reproduced, printed out or changed at any time and a separate archiving memory, available on floppy disc, enables long-term analysis of call records. MACS also provides a clear overview and permanent control of call cost assignment and line utilisation.

OFFSHORE COMMUNICATIONS

Gas radio link

Equipment to provide key communication channels between Blackpool and the new Morecambe Bay offshore gas field will be supplied to Hydrocarbons Great Britain Limited by Ferranti.
Under a contract received through the management services contractor, Brown and Root, a Ferranti Type 14000 series microwave radio relay will provide a duplicated link with the gas field, operating in the 7.5GHz frequency band. The Type 14000 series of systems is available in all the CCIR bands from 1.7GHz to 15GHz and is based on a compact, modular, front-access cabinet design. Standard variants are available for 60-1260 telephony channels, colour TV plus six programme sound channels and wideband multi-video radar remoting.
The contract follows recent Ferranti success in winning orders for major offshore communication packages from AMOCO, BP, MOBIL and other offshore operators.

The good news is
FERRANTI
Selling technology

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by G.T.S. Damer, Frankfurt/Main, A.V. Hare, R.A.F. McClean, M.C. Gorman, B.A. Lawrence, D.E.P. Palmer, London, as members of the Board of Directors. Printer: Frankfurter Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: C. E. P. Smith, Frankfurt/Main. © The Financial Times Ltd, 1983.

Fine British Clothes for men
centaur
ELEGANTLY STYLED

FINANCIAL TIMES
Wednesday April 20 1983

IDC
Design, Construct & Engineer
In business to build success.
Stratford-upon-Avon 0789 204288

Swedish group improves earnings

By David Brown in Stockholm

THE AXEL Johnson companies which make up Sweden's third largest trading and industrial group, have reported improved results for 1982.

Nordstjernan, one of the largest companies in the group with ship building, special steels and engineering interests, had a profit of SKr 97m ($13m) before appropriations and tax, up SKr 38m over last year, on a total turnover of SKr 10.7bn.

This includes extraordinary income of SKr 134m – mainly from the sale of shares – and exchange losses of SKr 74m stemming from the Swedish devaluation last October. The operating profit of SKr 199m was supplemented by SKr 97m from ship sales. Net financial items were SKr 259m.

A. Johnson & Company, the other main part of the group, is divided into Swedish and U.S. components. The Swedish side, which trades in oil, coal, special steels, ores, metals and machinery in over 30 up SKr 201m from 1981, with sales 75 per cent higher at SKr 7.5bn.

The improvement was attributed to particularly active oil and energy trading, while ores and metals were said to have performed poorly. Net financial costs grew from SKr 67m to SKr 112m in 1982, due to the acquisition of Nynas, the Swedish oil company.

A. Johnson Incorporated, based in New York, operates in oil, stainless steel, metal, engineering and shipping.

RCA reports first quarter profits of $32m

By Our New York Staff

RCA, the U.S. broadcasting, publishing and electronics group, has reported first quarter net income of $32.3m compared with $60.5m in the comparable quarter of 1982 when the figures were inflated by a $29.1m gain on the sale of a number of businesses.

The 1983 figures include the results of Hertz, the car rental business, which RCA is trying to sell although it says that a sale is not imminent. Hertz's sales were marginally higher at $389m but profits were down from $12.8m in the first quarter of last year to $9.2m in the latest quarter.

RCA earnings per share totalled 18 cents in the latest quarter compared with 57 cents in the comparable quarter of the previous year.

Monsanto down in first quarter

By Our New York Staff

MONSANTO, the fourth biggest U.S. chemical company, has reported a 31 per cent fall in net income to $101m in the first quarter, primarily because of a decline in profits and sales of its important U.S. agricultural business.

Earnings per share in the quarter totalled $2.47 against $3.71 in the comparable period of 1982. Group sales fell from $1.73bn to $1.49bn.

Mr John Hanley, Monsanto's chairman and chief executive, said that because of federal crop acreage reduction programmes demand for some of the company's herbicides had fallen. The company expects additional sales of herbicide products in the summer and believes the effects of the acreage reduction programmes will help the market for herbicides over the long term.

Operating income of Monsanto's agricultural and nutritional products fell 44 per cent in the first quarter to $109m, with sales down by more than a quarter to $333m. Fibre operations incurred a $7m operating loss, compared with a break-even result in the 1982 first quarter.

Slower growth for Eli Lilly

By Our Financial Staff

ELI LILLY, the major U.S. ethical drugs manufacturer, has registered flat net earnings in the first quarter, while profits at G. D. Searle, another large U.S. drugs group, have plunged by nearly 40 per cent.

Net income at Eli Lilly edged ahead from $135.6m or $1.78 a share to $136.2m or $1.80 on sales down from $863.2m to $831.9m. The results represent a significantly slower rate of growth than that shown in the final quarter of last year, when net profits rose by some 17 per cent.

U.S. computer groups report lower results

BY RICHARD LAMBERT IN NEW YORK

TWO MAJOR U.S. computer groups reported lower earnings for the first quarter of 1983, but said that business conditions were beginning to improve.

Honeywell's net income in the three months fell to $[illegible], compared with $55.5m in the same period of 1982 – a figure which included a $36m capital gain. Operating profit in the company's control products and control systems businesses declined sharply but aerospace and defence showed improved results. The information systems side made a small profit in the quarter, compared with a small loss last year.

Honeywell said computer orders for the first quarter increased substantially, because of the strength of U.S. demand, but international orders were down.

Mr Edson Spencer, chairman and chief executive, said that the group had started to see the effects of economic recovery. Excluding last year's capital gain, earnings in the first quarter were up from 88 cents to 98 a share, while revenues rose by 5 per cent to just over $1.3bn.

Meanwhile, Control Data reported that its first quarter earnings had fallen from $38.3m or $1.01 per share, to $33.5m, or 88 cents per share.

The company said these results were "somewhat less than planned," and added that uncertainties remained in the outlook. There were initial signs of improvement, however, in sales of peripheral equipment to other computer manufacturers, and increased earnings in the second half were still expected to result in an earnings gain

The main explanation for Control Data's setback was a sharp downturn on its financial services business, where pre-tax earnings fell from $31.9m to $16.5m. This was largely the result of insurance underwriting losses and the absence of a special $7.7m credit which boosted the 1982 figures.

Pre-tax earnings from information services and products fell from $31.1m to $28.7m.

Foreign exchange losses add to Statsföretag deficit

BY DAVID BROWN IN STOCKHOLM

STATSFÖRETAG, the Swedish state holding group, reports a loss of SKr 1.8bn ($243m) for 1982 before special adjustment, allocations and taxes. This compares with SKr 1.3bn in losses the previous year. Sales were ahead 9 per cent to SKr 16.7bn.

The loss after net financial costs advanced from SKr 806m to SKr 984m due to a decline in operating profits and higher interest payments. Losses on foreign exchange grew from SKr 513m in 1981 to SKr 845m.

The loss before allocations and tax but after special adjustments was SKr 1.6bn. Write-offs of plant owned mainly by the major loss making operations were offset by special state financing of SKr 4.3bn.

The company underwent a broad restructuring last year, and now operates 28 primarily industrial concerns. It shed its two major loss makers, the LKAB mining firm and the ASSI pulp paper company. These, together with Statsföretag's 50 per cent interest in the state owned oil company SP and its quarter interest in the SSAB steel concern, were acquired by the government for SKr 2.4bn.

If their results are removed from 1982 operations, the group loss drops to SKr 299m.

The new Statsföretag group still contains loss-makers including the Beroxo and BerolKemi chemicals companies but also retains the highly profitable Procordia investment group, which controls the tobacco company, within its consumer products division. Better operating results, and lower foreign exchange losses will result in a profit of between SKr 100m and SKr 400m for 1983, the group predicts.

● Broströms, the Swedish shipping group, posted a 1982 loss of SKr 88m ($11.5m) before allocations and taxes compared with a loss of SKr 3m on the previous period.

Commission agrees Bell Canada reorganisation

BY ROBERT GIBBENS IN MONTREAL

THE CANADIAN Radio, Television and Telecommunications Commission (CRTC) has recommended to the Federal Government that Bell Canada, the eastern Canadian telephone utility, should be allowed to go ahead with a corporate reorganisation proposed last June. This means the restructuring now has a good chance of succeeding.

The Government had asked the CRTC, the telephone service regulatory agency, to examine the reorganisation. The Government had said Bell's plan to separate its regulative and expanding non-regulated businesses had to be approved by the CRTC.

Bell denied this, saying that profits from its non-regulated businesses should not be used to support telephone service costs.

The reorganisation would set up Bell Canada Enterprises as an umbrella holding company, owning all new stock of the regulated telephone service company and also Bell's interests in nearly 80 non-regulated businesses, including Northern Telecom, the major equipment maker.

The CRTC agreed with Bell that the loss of certain regulated income could be compensated for by a fall in the utilities' permitted rate of return on common equity. The argument will now centre on the extent of that reduction.

The Government is not thought likely to continue its court battle opposing the Bell reorganisation. Bell itself is not yet ready to say it will pursue the reorganisation.

Bell Canada stock is the most widely held in Canada and is listed internationally. Under the reorganisation, existing shareholders would get BCE stock one for one, with the same dividend rights as before.

Visa seeks $40m for card plan

By William Hall in New York

VISA, the international credit card and travellers cheque group, which is owned by the world's major banks, is to raise an initial $40m from its member banks to help finance a $100m investment programme.

Visa needs the money to help finance the introduction of its new all purpose electronic debit card, which will be issued to about 30m customers by 1986, and also a network of about 8000 automatic teller machines (ATMS) which it plans to develop in conjunction with shareholder banks.

Until now visa, a non-profit making service to the banks, has financed itself through levying service fees on users, and the plan to raise the $40m is an important step for the group.

Mr Dee Hock, chief executive of Visa International, says he is convinced Visa can develop systems, patents, trademarks and other capabilities which can be sold to organisations that are not members of Visa.

"With proper capital investment and sound management it should be possible to reduce service fees and become a steadily increasing source of revenue to members."

According to Mr Hock there is no reason why banks should increasingly rent payment systems from giant international credit institutions. "The banking industry should build the payment systems of the future and rent them to others" says Mr Hock.

Visa appears to be embarking on a more independent future, and a sign of this is its intention to set up some 400 ATMs at key travel locations around the world such as airports and railway stations. If a Visa member bank in the country concerned does not want to operate the ATM Visa intends to step in and operate the machine itself.

Norwegian metal groups abandon merger talks

BY FAY GJESTER IN OSLO

FIVE NORWEGIAN ferroalloy manufacturers, who have been negotiating for some months about merging their ferroalloy activities, have now decided that it is not feasible.

The five said that the widely differing sizes and ownership structures of the companies had been one obstacle while Norway's electricity concession laws would have complicated the transfer from one company to another of rights to power supplies.

The five companies involved were Orkla Metal, Elkem, Bjølvefossen, Ila og Lilleby, and Hafslund. Together they control eleven ferroalloy plants with a total of 3,500 employees, and annual sales of around NKr 2bn ($280m). A sixth ferroalloy producer, Tinfos Jernverk, did not take part.

The companies had hoped to group their plants in a new unit to improve profitability, rationalise marketing and the use of power supplies, and generally to strengthen the position of the Norwegian industry in the world market. Norway's ferroalloy industry supplies almost a fifth of world requirements of this product.

The companies said that the talks had convinced them of the advantages of closer collaboration in future and they would be meeting again to discuss the best way of achieving this.

Mr Arnulf Ingebrigtsen, the deputy Industry Minister, expressed disappointment that the merger negotiations had failed.

Row looms as Australia halts Unilever's takeover plans

BY MICHAEL THOMPSON-NOEL IN SYDNEY

AUSTRALIA'S Foreign Investment Review Board has blocked the proposed acquisition by Unilever Australia of the edible oils and food divisions of Elders IXL – precipitating a potentially serious row between Australian business leaders and the country's new Labor Government.

Mr John Elliott, managing director of Elders IXL, a fast-growing pastoral, food, finance and resources group that is 49 per cent owned by Carlton and United Breweries, Australia's largest brewer, has requested an immediate meeting with Mr Bob Hawke, the Prime Minister, and the Federal Treasurer, Mr Paul Keating, to discuss the reasons.

The Government's attitude to foreign investment in Australia has not yet been fully spelt out, but the move to block Unilever is seen as indicating a tough stance on Labor's part.

Mr Keating said yesterday that the proposed acquisition was inconsistent with the Government's foreign investment policy and that an order under the Foreign Takeovers Act, prohibiting implementation of the takeover, would be made.

He said the two businesses, which make edible fats, oils and a range of foods, enjoyed important market positions, and that Elders IXL edible oils division, in particular, was one of only three significant local producers of margarine.

Mr Keating added yesterday that Unilever Australia's plan to offer 15 per cent of its equity to the Australian public was not considered an adequate gesture.

Labor recently indicated that it would not permit the entry of foreign banks into Australia, a move planned by the former Liberal-National Party Government of Prime Minister Malcolm Fraser,

Citicorp earnings up 18% in quarter

By William Hall in New York

CITICORP, the second largest U.S. bank, increased its first-quarter net income by 18 per cent to $228m despite a more than 50 per cent increase in loan loss provisions to $136m.

The buoyant first-quarter results confirm that the majority of leading U.S. banks has performed well in the first quarter despite problems associated with international lending.

Citicorp says that higher profits reflected an increase in average business volumes and an improved net interest rate spread which rose from 3.31 per cent a year ago to 3.87 per cent in the latest quarter. Net interest revenues rose by 27 per cent to just over $1bn with non-interest revenues 5 per cent higher at $435m. Foreign exchange earnings were nearly doubled at $98m.

Non-performing commercial loans nearly doubled to $1.9bn over the year. However Citicorp notes that they account for 2.3 per cent of total loans outstanding compared with an historical peak of 5.1 per cent at the end of 1976. Citicorp's assets rose by 9 per cent to $128bn.

The group has declared a dividend of 47 cents per common share for the first quarter of 1983 which is 9 per cent up on a year ago. The bank says that its improved interest rate spreads resulted from funding strategies designed to reduce exposure to interest rate swings and the drop in interest rates.

● Crocker National, which is majority owned by Midland Bank of the UK, has reported a 10.5 per cent fall in first-quarter net income to $16.5m.

Crocker, which has had the benefit of a $500m capital injection from Midland Bank, blames its poor performance on a narrowing of interest rate spreads due to the need to pay extra interest on customers' money market accounts.

It also blames the growth of non-performing loans and increased provisions for loan losses.

● Bankers Trust New York Corporation increased its net income by 15 per cent to $61.1m in the first quarter.

E. F. Hutton income soars to $37m in first quarter

BY OUR NEW YORK STAFF

E.F. HUTTON, one of America's biggest securities firms, reported that net income in the first quarter soared from $3.1m to $37.4m. The company said that commission revenues doubled in the period, while revenues from principal trading jumped by 188 per cent and those from investment banking climbed by 126 per cent. Fully diluted earnings per share rose from 20 cents to $1.92.

At the same time, Paine Webber announced an agreed takeover of Rotan Mosle Financial Corporation, a leading regional securities business, for around $80m.

Paine Webber, which had indicated on Monday that it was planning an aggressive expansion campaign, is offering its own shares to buy Rotan Mosle, which is based in Houston, Texas, and employs about 1,000 people. In the first four months of this year, Rotan Mosle reported revenues of $34.5m and pre-tax income of $3.6m.

The trading boom on Wall Street has sent first-half net income of Paine Webber, shooting up from $10.7m or 76 cents a share to over $51m or $3.47. However, net income of $23.1m or $1.53 a share in the second quarter to March fell some way short of the record $28m which Paine Webber earned in the first three months of the year.

Although trading the second quarter was "robust" it had not been quite as buoyant as in the first three months, the firm said.

Mr Donald Marron, chairman, said: "Paine Webber is now ready to become more aggressive and enhance its competitive position as a major in the securities industry.

"Over the past several years we have built a solid foundation from which we will expand through acquisition and internal growth."

Revenues in the half rose 32 per cent in just over $700m ($531.2m).

Donaldson Lufkin and Jenrette, another securities company, reported more modest progress, with net income up from $3.4m to $4.8m. However the latest period includes a pre-tax charge of $2.3m

First Boston, the Wall Street investment bank, reported that net income in the first quarter jumped from $15.4m to $27.9m. Fully diluted earnings per share climbed from $2.70 to $4.47.

Newsprint maker's profits tumble

BY OUR FINANCIAL STAFF

TWO MAJOR North American companies in the forest products sector, Abitibi-Price and Crown Zellerbach, have reported sharply contrasting first-quarter earnings.

Abitibi-Price, the world's largest newsprint producer, saw profits almost wiped out, while Crown Zellerbach, the big U.S. paper and pulp group, more than tripled its income.

Operating net profits at Abitibi-Price fell from a restated C$21m (U.S.$17m) to C$781,000 on revenues down from C$427.4m to C$392.1m. Per share earnings after preferred dividends tumbled from 89 cents to a loss of 7 cents.

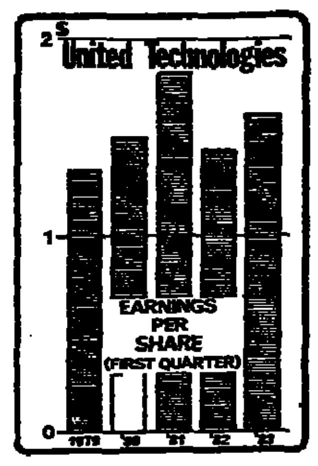
The company attributed the drop in earnings to poor markets, depressed prices and low operating rates prevailing since early 1982.

The outlook for newsprint remained unsatisfactory because of overcapacity and the inability to recover cost increases through higher prices.

Meanwhile Crown Zellerbach, which produces timber products as well as paper, boosted net earnings from $5.6m or 10 cents a share to $20.4m or 54 cents. Sales were $618.1m, against $725m in the 1981 period, which included results for subsidiaries later sold.

The company, based in San Francisco, said the rise was due to a substantial improvement in timber products operations, where earnings rose $11.3m because of rising demand and improved prices. Earnings from pulp and paper fell slightly.

● A sharp increase in the effective tax rate has left Time Inc, the diversified U.S. communications and forest products group, with only a 4 per cent rise in first-quarter net earnings.



United Tech. sees good start

By Our New York Staff

UNITED TECHNOLOGIES, the U.S. conglomerate, reported a 15 per cent rise in net operating income for the first quarter of 1983 and said that it was "poised to achieve above-average sales growth and improving returns on sales and equity in the 1980s."

Mr Harry Gray, the group's chairman, president and chief executive, told the annual meeting that sales at the building systems sector had increased moderately in the quarter, while the Sikorsky helicopter business and the electronics sector had registered strong gains.

Sales by Pratt and Whitney the aero-engine manufacturer, had also risen, with a sharp decline in general aviation business being more than offset by higher government and commercial sales.

Overall, sales in the quarter rose from $3.2bn to $3.5bn. Sales to the Government rose by 15 per cent to nearly $1.3bn.

B. F. Goodrich sharply down

By Our Financial Staff

B. F. GOODRICH, the fourth largest U.S. tyre maker, reported sharply lower first-quarter net losses – $7.8m or 57 cents a share compared with 18.4m $1.18.

Sales edged ahead from $728.8m to $734m. Mr John D. Ong, chairman and chief executive, told the annual meeting that "although any loss is unsatisfactory our 1983 first quarter contained encouraging signs for the first time in recent months.

ROBECO
HIGHER
VALUATION
FOR
SHARES

Since the beginning of this year, the value of Robeco shares on the London Stock Exchange has risen by 20% to £69¼ at the end of March, 1983, on the back of a favourable climate prevailing on almost all Stock Exchanges.

The fall both in inflation and interest rates, coupled with the first signs of economic recovery in the U.S., were the major factors contributing to investors' optimism.

The strongly increased interest in equities led both to higher stock quotations and price/earnings ratios. Rises on the Amsterdam Exchange, in particular, were remarkable.

Robeco was a net seller in American and Canadian stocks. Its principal purchases were in Germany and the Far East.

The above has been taken from the quarterly report published on 31st March, 1983.

Robeco, incorporated in the Netherlands in 1933, is an equity trust aiming to strike a balance between the provision of a substantial dividend each year with a reasonable appreciation in capital value.

Assets are widely spread over some 15 countries, with the emphasis currently on the U.S.A. (38.3%), Japan (12.5%) and Dutch Internationals (14.3%).

For further details write to:
Robeco N.V., dept. 382,
P.O. Box 973,
3000 AZ Rotterdam,
Holland.

50
1933-1983

ROBECO

Record profits for Honda Motor

BY OUR FINANCIAL STAFF

HONDA MOTOR, the world's largest motorcycle manufacturer and Japan's fifth largest car maker, has posted a 29.1 per cent rise in unconsolidated net income to a record Y31.32bn (U.S.$131.5m) in the year to end February 1983, compared with Y24.25bn a year earlier.

Earnings per share climbed from Y32.86 to Y39.93 and the dividend total has been maintained at Y10 per share, though Honda says its final dividend will be increased to Y5.5 this year, for a total of Y10.5.

Total sales showed a 13.1 per cent advance to Y1,747bn buoyed by a sharp improvement in domestic car and motorcycle demand. Car sales rose 13.4 per cent to Y997.9bn compared with Y880bn a year earlier.

In response to heavy domestic demand, Honda boosted production of its one-litre "City" model and further sales gains *were made following* the introduction of the turbo-charged "City" cars.

Higher knock-down sales to British Leyland and satisfactory throughput from the Ohio plant helped exports to remain in surplus, although advances in overseas car sales were more modest than those in Japan. Domestic car sales increased by 23 per cent to a record Y321.8bn compared with Y261.72bn in the previous year.

Motorcycle sales rose by 8.3 per cent to Y501.5bn from Y463.12bn with all the advance coming from a 50 per cent surge in domestic motorcycle sales. These jumped from Y128.2bn to Y192.36bn, but motorcycle exports slipped 7.7 per cent to Y309.14bn from Y334.91bn.

The improvement at the net profit level was aided by lower unit costs on the increased volumes, rationalisation benefits, and higher dividend income from *subsidiaries. These* outweighed negative factors such as higher research and development expenditure and foreign exchange losses caused by the appreciation of the yen.

Honda has forecast unconsolidated net income for the current year of Y30bn—4.2 per cent lower than for 1982-83—on increased sales of about Y1,850bn. The company plans to increase capital investments, for example by stepping up the production of motorcycles at its Ohio plant, although this is expected to attract a higher interest burden and place pressure on overall earnings.

Baldwin accounts qualified

BALDWIN UNITED, the troubled financial services group, has had its 1982 financial statements qualified by its auditors because of certain litigation and because "the outcome *of certain significant* income tax matters presently is uncertain," writes our New York Staff.

In a filing with the Securities and Exchange Commission, the company said its tax returns for the period from 1978 until 1980 were being examined by the Internal Revenue Service (IRS) with regard to the company's reinsurance transactions.

The accountants, Peat Marwick Mitchell, say the company believes its reinsurance practice conforms with federal income tax rules. But they add: "Should the IRS ultimately prevail, the amount of tax at issue would be $25m or $50m plus interest from March 15, 1983."

Hong Kong likely to tighten up on share dealing disclosure

BY ANDREW FISHER IN HONG KONG

QUOTED Hong Kong companies, which operate under one of the world's loosest systems of control for a major stock exchange, may soon have to disclose major deals to shareholders, according to a leading regulatory official.

Mr Derek Murphy, deputy commissioner for securities and commodities trading, hinted strongly in a paper delivered to an international conference in Ecuador that the colony's authorities would try to tighten up disclosure rules.

His comments come in the wake of the collapse of *Eda Investments*, which fell victim to the property market slump, and the frantic attempts of bankers to rescue Carrian Investments, whose interests span property, shipping, travel and food.

"At the moment," he said, "disclosure of shareholdings – or even of share dealings – by directors, substantial shareholders, or *other* insiders is not required by Hong Kong law."

This, together with the nominee device by which directors and shareholders can hide their identities, made it almost impossible to find out who owns what in any *listed* company, he added. "Even the company itself may not know who its real owners are."

He did not mention the name of any companies which had landed in difficulties in Hong Kong, but said recent events "may suggest the time is ripe for a reconsideration of *the whole disclosure philosophy*."

These recent events included "one or two embarrassing high-profile corporate failures." There was also a desire to see that the newly-revised Hong Kong code on takeovers and mergers worked effectively.

Arguments on disclosure would have to be reappraised. "Perhaps a more immediate requirement is that companies should disclose major changes in their activities, and in particular, the acquisition or disposal of substantial assets."

Mr Murphy said the use of the nominee device in the colony could stem partly from the Chinese reluctance to disclose their worth to others.

But it was also possible, "that an individual might not in fact possess the wealth that he is popularly believed to have and that disclosure of the true position would involve a loss of face," he pointed out.

And because it imposes no exchange controls, Hong Kong had become a focal point for fund inflows from wealthy people or companies in the Asia-Pacific region and beyond "who do not wish, for a variety of reasons, to disclose the existence of those remittances or consequent *investments*."

Singapore SE chairman to retire

BY KATHRYN DAVIES IN SINGAPORE

Mr Ng Soo Peng, chairman of the Stock Exchange of Singapore (SES), is to retire at the end of the exchange's financial year on June 30. Mr Ng, who is 55, has been chairman since the exchange was "divorced" from that of neighbouring Malaysia, following a realignment of the two countries' currencies in 1973.

He recently retired as a director of Kay Hian and Company, a long-established Chinese broking firm in Singapore. Under SES rules, only directors of the 25 member broking firms can be on the SES committee.

Mr Ng began his career in 1949 with Price Waterhouse and then joined Turquands Young, another firm of chartered accountants. In 1962 he founded his own accountancy practice before joining the Stock Exchange as a member in 1966. Since he became chairman, Mr Ng has presided over two five-year modernisation plans and has initiated a third. The exchange's operations have largely been computerised with the recent setting up of an electronic information trading system and an automated central clearing house.

Mr Ng brought patience and a sense of humour to his job, which, he said, frequently attracted the ire of speculators in a bear market. Losers often sent him Chinese "hell notes"—paper money traditionally given to the dead for them to spend in a hotter climate. Mr Ng also put considerable emphasis on encouraging foreign companies to seek a listing on the Singapore Exchange, albeit with limited success.

Increased payout from Toncoro

By Our Johannesburg Correspondent

TONGAAT COROGROUP (Toncoro), South Africa's largest brick-maker, has reported turnover up to R256m ($234m) for the year to March, from R212m for 1981-82, and an increase in pre-tax profits to R33.5m from R28.1m.

Profits were spread equally over the year, although the second half saw a continuation of rising brick stockpiles and building starts declined.

The dividend total is lifted to 34 cents a share from 33 cents, from earnings of 78.6 cents against 77.5 cents.

NORTH AMERICAN QUARTERLY RESULTS

COMMUNICATIONS SATELLITE

First quarter	1983 $	1982 $
Revenue	108.4m	94.1m
Net profits	12.8m	10.3m
Net per share	1.40	1.29

CONTINENTAL TELECOM

First quarter	1983 $	1982 $
Revenue	486.2m	438.9m
Net profits	38m	35.5m
Net per share	0.55	0.53

CPC INTERNATIONAL

First quarter	1983 $	1982 $
Revenue	959.5m	1bn
Net profits	35.8m	41.1m
Net per share	0.74	0.86

DOVER CORP

First quarter	1983 $	1982 $
Revenue	245.1m	277.6m
Net profits	18.3m	26.4m
Net per share	0.52	0.74

FORT HOWARD PAPER

First quarter	1983 $	1982 $
Revenue	133.3m	120.3m
Net profits	23.5m	21.8m
Net per share	0.86	0.80

LIBBEY-OWENS-FORD

First quarter	1983 $	1982 $
Revenue	288.9m	275.3m
Net profits	3.66m	1.22†
Net per share	0.17	0.22†

† Loss

McGRAW-HILL

First quarter	1983 $	1982 $
Revenue	275.9m	261.8m
Net profits	22.7m	20.2m
Net per share	0.41	0.81

RAYTHEON

First quarter	1983 $	1982 $
Revenue	1.37bn	1.41bn
Net profits	72.9m	79.4m
Net per share	0.86	0.94

Genting lifts net earnings

BY WONG SULONG IN KUALA LUMPUR

GENTING, the Malaysian casino, property and plantations group, has reported a 16.5 per cent increase in pre-tax profits to 115m ringgit (US$49.8m) for 1982, on turnover up by 7 per cent to 292m ringgit.

The group considers the results satisfactory, in view of the recession, which affected its hotel operations, and the fact that its plantation operations incurred a loss because of depressed commodity prices.

After-tax profits were 27 per cent higher at 69m ringgit, but attributable profits were down to 70m ringgit from 113m ringgit.

The group had an extraordinary gain of 60m ringgit in 1981 from the sale of its investments in Guthrie Corporation to Permodalan Nasional, and the sale of a rubber plantation.

Genting is paying a final tax exempt dividend of 7.5 cents on its paid-up capital of 217m ringgit, making an unchanged 12.5 cents for the year. The group expects a better year in 1983 because of better commodity prices and a more active property division.

IRELAND

U.S.$100,000,000

Floating Rate Notes due October, 1988

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the next Interest Period has been fixed at 9 9/16 per cent per annum. The Coupon Amounts will be US$243.05 for the US$5,000 denomination and US$12,152.34 for the US$250,000 denomination and will be payable on 21st October, 1983, against surrender of Coupon No. 4.

Manufacturers Hanover Limited

Agent Bank

Johannesburg Consolidated Investments Group

(All companies mentioned are incorporated in the Republic of South Africa)

GOLD MINING COMPANIES' REPORTS FOR THE QUARTER ENDED 31 MARCH 1983 WITH COMPARATIVE FIGURES FOR THE PREVIOUS QUARTER

Randfontein Estates

The Randfontein Estates Gold Mining Company, Witwatersrand, Limited

Issued capital: R10 827 106

(Divided into 5 413 553 shares of R2 each)

OPERATING RESULTS

	Quarter ended 31.3.83 (Unaudited)	31.12.82
Gold		
Ore milled – tons	1 393 000	1 383 000
Kilograms produced	6 965	6 915
Yield – grams per ton	5.0	5.0
Revenue – per ton milled	R81.65	R78.75
Working cost – per ton milled	R29.58	R28.78
Profit per ton milled	R52.07	R49.97
Uranium		
Tons treated	728 000	714 000
Kilograms produced	122 246	123 759
Yield – kilograms per ton	0,166	0,173

FINANCIAL RESULTS (R000)

	31.3.83	31.12.82
Revenue from gold	113 742	108 914
Working costs	41 216	39 808
Profit from gold	72 526	69 106
Profit from uranium	3 168	5 143
Net sundry revenue	433	695
Operating Profit	76 129	74 944
Net interest receivable	4 512	4 763
Profit before tax	80 641	79 707
Tax and State's share	35 290	11 801
Profit	45 351	67 906
Capital expenditure	15 349	45 842
Dividends declared	—	43 308

Note:	Quarter ended 31.3.83	31.12.82
Price received on gold sales:		
U.S.$ per oz	475	421
Rand per kg	16 482	15 476

DEVELOPMENT

Metres advanced		
Cooke No. 1 Shaft	3 582	4 229
Cooke No. 2 Shaft	6 378	7 384
Cooke No. 3 Shaft	4 977	5 211
Randfontein Section	584	422

SAMPLING RESULTS

The values shown in the following tabulations are the actual results of sampling reef development. No allowance has been made for any adjustments which may be necessary when computing ore reserves.

COOKE SECTION

	Quarter ended 31.3.83 Shafts No. 1	No. 2	No. 3	Total	Quarter ended 31.12.82 Shafts No. 1	No. 2	No. 3	Total
UE1a REEF								
Sampled – m	561	1 071	867	2 499	753	1 473	687	2 913
Channel width – cm	151	167	179	167	155	178	184	173
Average value:								
Gold – g/t	5.1	9.5	5.0	6.9	9.0	8.6	12.3	9.6
– cm-g/t	770	1 586	895	1 152	1 395	1 531	2 263	1 661
Uranium – kg/t	0.10	0.26	0.27	0.23	0.13	0.33	0.54	0.33
– cm-kg/t	15,10	43,42	48,33	38,41	19,84	58,03	98,62	57,61
E8 REEF								
Sampled – m	111	324	—	435	99	282	—	381
Channel width – cm	133	260	—	227	210	270	—	254
Average value:								
Gold – g/t	6.1	4.0	—	4.3	3.9	3.1	—	3.3
– cm-g/t	811	1 040	—	976	819	837	—	838
Uranium – kg/t	0.10	0.22	—	0.20	0.16	0.22	—	0.21
– cm-kg/t	13,30	57.20	—	45,40	34,23	58,59	—	52.07

RANDFONTEIN SECTION

MAIN REEFS	Quarter ended 31.3.83	31.12.82
Sampled – m	345	315
Channel width – cm	92	129
Gold		
Average value – g/t	[illegible]	[illegible]
– cm-g/t	1 063	606

COOKE NO. 3 SHAFT

Sinking operations advanced by 41 metres to a final depth of 1 373 metres below collar. The belt level concreting and equipping of the spillage winze is nearing completion.

PRODUCTION

GOLD

Underground ore was supplemented by 466 000 tons (537 000) from old surface tailings and rock dumps.

URANIUM

Notwithstanding an increased throughput, production was slightly down as a result of a lower level of recovery, which has subsequently improved.

COOKE PLANT

The extensions to the uranium section are continuing.

PROSPECTING

Exploration by surface and underground drilling is progressing as planned.

CAPITAL EXPENDITURE

	Quarter ended 31.3.83	31.12.82
Net expenditure on mining assets (R000)	15 186	44 553
on other assets (R000)	154	1 289
Capital commitments at end of quarter (R000)	8 056	12 654

For and on behalf of the Board
G. Y. NISBET
R. C. BERTRAM | Directors

Western Areas

Western Areas Gold Mining Company Limited

Issued capital: R40 306 950

(Divided into 40 306 950 units of stock of R1 each)

OPERATING RESULTS

	Quarter ended 31.3.83 (Unaudited)	31.12.82
Gold		
Ore milled – tons	960 000	940 000
Kilograms produced	4 606	4 700
Yield – grams per ton	4.8	5.0
Revenue – per ton milled	R67.52	R72.21
Working cost – per ton milled	R56.17	R54.50
Profit per ton milled	R11.35	R17.74
Uranium		
Tons treated	145 000	119 000
Kilograms produced	59 684	50 000
Yield – kilograms per ton	0,41	0,43

FINANCIAL RESULTS (R000)

	31.3.83	31.12.82
Revenue from gold	64 822	67 905
Working costs	53 924	51 231
Profit from gold	10 898	16 674
Profit from uranium	2 429	1 780
Net sundry revenue	448	52
Operating profit	13 775	18 506
Net interest receivable	1 953	2 031
Profit before tax	15 728	20 537
Tax and State's share	3 346	–
Profit	12 382	20 537
Capital expenditure	5 153	4 622
Dividends declared	—	4 041

Notes:	Quarter ended 31.3.83	31.12.82
1. Price received on gold sales:		
U.S.$ per oz	414	382
Rand per kg	14 372	13 917

2. Revenue from gold and the reported gold price take into account profits and losses associated with forward dealing transactions.

DEVELOPMENT

Metres advanced		
Ventersdorp Contact Reef	3 362	2 893
Upper Elsburg Reefs	6 580	5 768
Middle Elsburg Reef	2 312	2 018

SAMPLING RESULTS

The values shown in the following tabulations are the actual results of sampling reef development. No allowance has been made for any adjustments which may be necessary when computing ore reserves.

VENTERSDORP CONTACT REEF, ELSBURG MASSIVE REEFS AND ELSBURG INDIVIDUAL REEFS

	Quarter ended 31.3.83 VCR	EMR	EIR	Total	Quarter ended 31.12.82 VCR	EMR	EIR	Total
Sampled – m	393	756	879	2 028	267	639	813	1 719
Channel width – cm	145	237	218	211	106	203	236	203
Average value:								
Gold – g/t	9.2	4.7	5.0	5.4	6.8	5.7	5.3	5.6
– cm-g/t	1 334	1 114	1 090	1 139	721	1 157	1 251	1 137

MIDDLE ELSBURG REEFS	Quarter ended 31.3.83	31.12.82
Sampled – m	537	391
Channel width – cm	167	176
Average value:		
Gold – g/t	6,3	4,6
– cm-g/t	1 052	810
Uranium – kg/t	0,77	0,68
– cm-kg/t	128,59	119,68

PRODUCTION

GOLD

The tonnage treated from underground was supplemented by 139 300 tons (151 400 tons) from surface sources.

Working costs were higher mainly as a result of the increased underground production and development. In addition, higher tariffs came into effect on 1 January 1983.

URANIUM

The tonnage treated increased from 119 000 tons to 145 000 tons due principally to higher production from the Middle Elsburg Reefs.

NO. 3 SUB-VERTICAL SHAFT

The shaft advanced by 79 metres to 1 321 metres below the collar. The cutting and lining of 90 level station has been completed and in addition 87 metres of development were advanced on this level.

CAPITAL EXPENDITURE

	Quarter ended 31.3.83	31.12.82
Net expenditure on mining assets (R000)	5 433	3 135
Capital commitments at end of quarter (R000)	8 307	7 653

FORWARD SALES

The company has continued to sell forward the major portion of gold production expected over the next twelve months in order to stabilise revenue and thereby reduce the company's vulnerability to operating losses.

For and on behalf of the Board
G. Y. NISBET
R. C. BERTRAM | Directors

Elsburg

Elsburg Gold Mining Company Limited

Issued capital: R30 203 000

(Divided into 30 203 000 units of stock of R1 each)

Stockholders are advised to study the operating results published by Western Areas Gold Mining Company Limited.

For and on behalf of the Board
G. Y. NISBET
R. C. BERTRAM | Directors

Copies of these reports, in English or Afrikaans, are available on request from the offices of the transfer secretaries.

Johannesburg Consolidated Investment Company, Limited
Consolidated Building, Fox and Harrison Streets, Johannesburg 2001
P.O. Box 590, Johannesburg 2000

or Barnato Brothers Limited
99 Bishopsgate, London EC2M 3XE
England

19 April 1983

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to the public to subscribe for or purchase any securities.

Schroder Sterling Fixed Interest Fund Limited

Incorporated with limited liability in Guernsey, Channel Islands

Authorised £		Issued and fully paid £
100	Management Shares of £1 each	100.00
99,900	Unclassified Shares of 1p each *of which there were in issue at 13th April, 1983:*	
	as Participating Redeemable Preference Shares of 1p each	1,863.00
100,000		1,963.00

Application has been made to the Council of The Stock Exchange in London for Participating Redeemable Preference Shares of the Fund to be admitted to the Official List. Particulars of the Fund are available in the Extel Statistical Service and may be obtained during usual business hours (Saturdays and public holidays excepted) up to and including 4th May, 1983 from:

Bankers to the Introduction

J. Henry Schroder Wagg & Co. Limited

120, Cheapside, London EC2V 6DS

or

Brokers to the Introduction

Cazenove & Co.

12, Tokenhouse Yard, London EC2R 7AN

20th April, 1983

April 20, 1983

Oesterreichische Kontrollbank Aktiengesellschaft

US$100,000,000

Guaranteed Floating Rate Deposit Notes 1986

Guaranteed by the

Republic of Austria

Notice is hereby given pursuant to the Terms and Conditions of the Notes that for the six months from April 21, 1983 to October 21, 1983 the Notes will carry an interest rate of 8 15/16% per annum. On October 21, 1983 interest of US$22,716.15 will be due per US$500,000 Note against Coupon No. 4.

Agent Bank

ORION ROYAL BANK LIMITED

CNT

Caisse Nationale des Télécommunications

U.S.$100,000,000

Floating Rate Notes due 1986

For the six months 18th April 1983 to 18th October 1983 the Notes will carry an interest rate of 9 11/16% per annum, with a coupon amount of US$49.24. Interest payable on 18th October 1983.

Bankers Trust Company, London

TECHNOLOGY

EDITED BY ALAN CANE

REPORT ON RESEARCH AND DEVELOPMENT IN TIME OF RECESSION

Integration still the problem

BY KENNETH OWEN

"IF WE'RE so clever, why are we so poor?" This ironic comment on the contrast between Britain's scientific brainpower and her industrial performances came from Dr Duncan Davies, former Chief Engineer and Scientist in the Department of Industry.

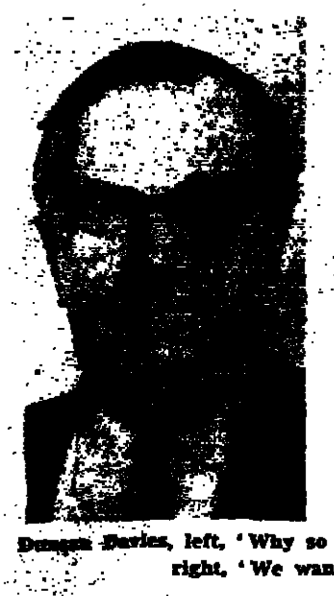
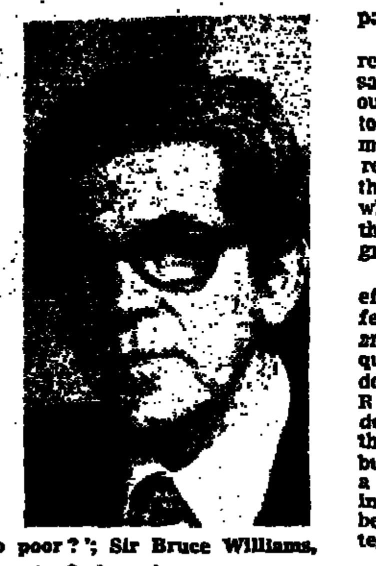
He was speaking at a recent symposium arranged by the Technical Change Centre (TCC) to discuss industrial research and development at a time of recession, and it was a fair question. Not original, perhaps, but fair.

The Technical Change Centre was set up in London in 1981 with financial support from the Leverhulme Trust, the Science and Engineering Research Council and the Social Science Research Council. Its Director is Sir Bruce Williams, and its task is to study the implications of technological change in the context of the national economy. Among the first results of its research programme is a report on industrial R&D in recession, written by Dr Nuala Swords-Isherwood, a Principal Research Fellow at the Centre.

Research for the report confirmed a recent survey by the Confederation of British Industry which indicated a growth in electronics R and D. Oil companies had rationalised their R and D efforts, only partially in response to the recession. Companies in mining and metals showed severe cuts in some cases yet growth in another case.

Overall, there was little evidence that R and D had suffered significantly as a result of the recession. More R and D effort was being aimed at higher productivity and process improvements. The recession had caused a new cost-consciousness about R and D spending, but in-house resources were still considered essential and additional contract research was not favoured as an economy measure.

Eight of the 35 companies surveyed had re-organised their R and D structures as a direct result of the recession. In most cases this had been done in order to reduce the isolation of the research function, and to integrate the R and D effort more closely with company needs. But, in the survey as a whole, it was not easy to separate thet effects of recession from those of other factors.

Duncan Davies, left, 'Why so poor?'; Sir Bruce Williams, right, 'We want to find out'

The symposium at which the findings of the report were discussed was attended by research directors and other senior R and D people from industry and Government. Sir Bruce Williams, TCC Director, was disappointed at the extent to which the research directors present appeared to think that R and D was still not treated as an integral part of their companies' mainstream activities and decision-making. Lip-service had been paid for many years to the need for research to be integrated into the activities of the company, but in many areas this still had not happened.

"I think we have to look further," Sir Bruce says, "to see how far this sense of detachment is due to the research people still believing in their own 'technology push,' and failing to come to terms with the nature of commercial organisations; and how far it is due to the non-research people failing to comprehend the role that research should be playing in the company."

Is Britain's R and D now leaner and fitter, or is it too weak to face the future? A discussion on this theme at the symposium was introduced by Dr James Kennedy, Deputy Director of the Centre. There is firm evidence, Dr Kennedy says, that certain sectors of industry have suffered substantial cuts in R and D, and that these cuts have tended to be in long-term research as companies concentrate on short-term development. The materials sector is an example.

"What the research directors seem to be saying," says Dr Kennedy, "is that they are concentrating on technical support for the next wave of company operations, and not looking at long-term things. That immediately hits materials, where the rewards of research may take 20 years to appear."

Neither Sir Bruce nor Dr Kennedy believes that the recession is the sole cause of the cutbacks in long-term research spending although, they suggest, it may have accelerated changes that were already under way. As excess capacity and a squeeze on profit margins signal the approach of a recession, companies would be expected to concentrate on productive efficiency in order to alleviate that squeeze. As growth falls off and the recession bites deeper, they look more closely at their traditional R and D organisations and their established staffs.

In many cases the company's R & D is thoroughly reappraised and radically restructured, with great benefit. Hard times have helped to sharpen up the company's R & D

"I have a dual interest in this report on R & D in recession," says Sir Bruce. "First, to find out what is happening. Second, to see if there's any sign of movement away from cost-reducing innovations towards the creation of new products which will themselves create the basis for a further wave of growth."

Valid comparisons of R & D effort are made difficult by different definitions of the term, and by different answers to the question "Where is the R & D done, and by whom?" If all the R & D in an organisation is done in a central laboratory the answer is straightforward, but the trend today is towards a decentralisation of R & D out into the production units. Very beneficial, in the interests of integration—and very Japanese.

There are no easy lessons to be learned from the experience of other countries, but the Technical Change Centre is most interested in exploring the Japanese approach. "We would like to make a more detailed study of the way the Japanese organise R & D," says Sir Bruce, "because it seems that some of these problems of communication between R & D, production and marketing which are so obvious in Britain are much less of a problem there.

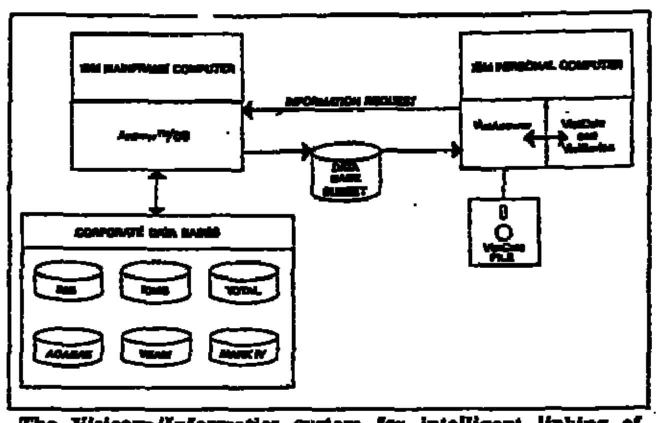
"We want to know just why. Is it the way they organise things? Have they a more imminent sense of the need for the integration of activity? Or is it that they have so many more qualified scientists and engineers per head of population that they're talking to each other? We want to find out."

So, if we're so clever, why indeed are we so poor? In the present recession, Britain is not alone in being "poor"—but we continue to lag behind the U.S., Japan, West Germany and France in terms of R and D spending. In the past we have failed to marshal our cleverness effectively and the "clever" R and D people have tended to work in isolation from the manufacturing and marketing masses. The signs from the Technical Change Centre research are that the recession may be helping to sharpen up Britain's industrial R and D through greater integration and more flexible organisation.

IBM MICRO/MAINFRAME LINK

Visicorp, Informatics provide the 'Answer'

BY GEOFFREY CHARLISH



The Visicorp/Informatics system for intelligent linking of IBM PCs and mainframes

VISICORP AND Informatics General Corporation have jointly launched software products that provide an "intelligent" connection between the IBM personal computer (of which 200,000 were sold last year) and IBM mainframes.

The software package for the PC, devised by Visicorp, is called VisiAnswer and enables the user to formulate queries and communicate them to the mainframe. It then accepts the results from the mainframe in a form that can be viewed, printed and if necessary manipulated.

At the other end a package called Answer/DB runs on the mainframe and is able to accept the queries from the PC, selectively extract the data from the database and prepare it for transmission to the PC. The extracted and summarised information is stored in the PC's floppy diskette in a format immediately usable with Visicalc (nearly 0.5m sold) and other Visicorp programs.

The development acknowledges the need to keep, update and manipulate large volumes of data on a big corporate mainframe but foresees that executives will increasingly want their own screens and keyboards on the desk.

The new software, it is claimed, will help eliminate confusion caused by duplication and inconsistency of data under manipulation by PC users.

It also will ensure that all users will be accessing the same data which is kept up to date, accurate and consistent on the central database.

The deployment of PCs only, however powerful, will not meet the requirements of quality, duplication prevention, age, comparability and security of data according to the two companies, while the simple terminal approach implies long periods on line and high communications costs.

With the new system, communication with the mainframe is needed only briefly at the start of a session and then briefly again after the user's question is composed and ready for loading up the mainframe. Final contact is made when the mainframe has the results ready for downloading into the personal computer.

There is no need for the user to learn a complicated "query language" or go through a difficult sign-on procedure. This is handled by the PC, which poses the question in a form the mainframe can understand and then returns a comprehensible answer to the PC—without user aid.

On show at the Anaheim NCC in May, the product will not be available in the U.S. until the third quarter of this year and in Europe before Christmas. Expected U.S. price for 50 PCs working into one mainframe is $45,000. More from Informatics (UK) general manager Ian Durrel on 01-242 0770.

Card security

Twice the safety features

A RELATIVELY simple idea for a plastic transaction card that steers clear of advanced technology and puts the emphasis on fraud prevention by construction methods and point of sale personnel techniques has been suggested by Trapinex, a member of the McCorquodale Group.

Trapinex calls the card "Gemini" because it duplicates the personalised information on the card—photograph, name and signature.

The second imprint, however, which is exactly the same as the first, surface printing, is encapsulated in a translucent core along with a code letter that the sales assistant is required to look at (by holding the card up to the light) and record.

In so viewing the card the assistant can at the same time check that the embedded "mug shot" is the same as the one on the surface — it is suggested by the company that almost any kind of near-the-surface imprint can be removed by the skilled crook and substituted with a shot of his own face.

According to Trapinex chairman David Christian, it is not possible to remove the encapsulated image without so mutilating the card as to make the fraud obvious. The same applies to the encapsulated signature.

Christian believes the card has the advantage of simplicity and associated low cost and shifts some responsibility for fraud prevention to the retailer.

Datacomms

Multiplexer for DECs

SINTROM ELECTRONICS has announced what it claims is the first direct memory access multiplexer to be developed for Q-bus based Digital Equipment PDP-11/23 computer systems.

It provides significant throughput improvements over interrupt-driven devices and is the fastest way of transferring data from processor to terminal. Prices from £1,554; more on 0734 875464.

IMI

for building products, heat exchange, drinks dispense, fluid power, special-purpose valves, general engineering, refined and wrought metals.
IMI plc,
Birmingham, England

Computing

Standard interface device

MANY SMALL computers are a little idiosyncratic—they are difficult to connect to printers, plotters and disc drives because they lack the common industry standard interfaces such as the RS232 or IEEE.

So it is with the Commodore VIC-20 and the newly launched Commodore 64; excellent microcomputers but better with a standard interface.

Now Oxford Computer Systems has developed a device it calls the Interpod which fits snugly into the serial port of the Commodore 64 and provides RS232 and IEEE interfaces.

So, Oxford Systems says, the computer with an Interpod can be used as a complete business computer or as part of an existing Pet based system.

The Interpod costs £125.00 + VAT; Oxford is on 0993 812700.

Metal finishing

Profile grinding

GEAR MANUFACTURERS, Santer, Bachmann of Switzerland have for some time been using within their own factory a direct computer controlled dressing device for profile grinding. The company says that it has been so successful and can be used with almost any cylindrical grinder or surface grinding machine, that it has now decided to market the device as the "DCC-Profilemaster."

Details from the company at Netstal, Switzerland. (058) 61 14 44.

International Conference and Exhibition
May 24-26 1983 Barbican Centre London

Business Telecom

Telecoms liberalisation–the business challenge

Now, more than ever, effective telecommunications is an essential ingredient of business management. With the liberalisation of the industry the rate of development is accelerating and many responsibilities are already overlapping.

This conference, with more than 60 distinguished speakers, will provide senior management with an insight into likely future developments in this rapidly and radically changing field.

If you are responsible for telecoms and/or d.p. policy in your organisation, participation in this conference will pay handsome dividends.

For a conference brochure clip your business card to this advertisement and send to Online Conferences Ltd. Argyle House, Northwood Hills, Middlesex HA6 1TS.

online

Telephone: Northwood (09274) 28211
Telex: 923498

FINANCIAL TIMES

operates a subsription hand delivery service in the business centres of the following major cities:

AMSTERDAM, BOMBAY, BONN
BOSTON, BRUSSELS,
CHICAGO, COPENHAGEN,
DUSSELDORF, EINDHOVEN,
FRANKFURT, GENEVA,
THE HAGUE, HAMBURG,
HONG KONG, HOUSTON,
ISTANBUL, JAKARTA,
KUALA LUMPUR, LISBON,
LOS ANGELES, LUGANO,
MADRID, MANILA,
MIAMI,
MONTREAL, MUNICH,
NEW YORK, PARIS, PORTO,
ROTTERDAM,
SAN FRANCISCO,
SINGAPORE, STUTTGART,
TAIPEI, TOKYO, TORONTO,
UTRECHT, VIENNA,
WASHINGTON

For Information contact:

Financial Times
Guiollettstrasse 54
6000 Frankfurt Main
West Germany
Tel: 0611/75980 Telex: 416 193

or

Financial Times
75 Rockerfeller Plaza
New York, NY 10019
Tel: (212) 489 8300
Telex: 238409 FTOL UI

ENERGY IN YOUR ENTERPRISE.

Energy saving, alternative energies, substitution of petroleum based fuels...

FIRMS, SMALL- AND MEDIUM-SIZED BUSINESSES, LOCAL AND REGIONAL COUNCILS, THE EUROPEAN ECONOMIC COMMUNITY (EEC) GIVES YOU A HAND TO USE ENERGY BETTER!

Under what conditions?
Present demonstration projects for new equipment, processes, products or new applications of known processes. The projects must be economically viable and allow a significant improvement in energy efficiency in your firm, or for the products made therein

How can the EEC reduce your investment risks due to innovation?
If your project is approved the EEC finances your investment up to 49%, half of which is reimbursable in the case of commercial success.

In which fields?
1) Energy Saving.
2) Solar Energy.
3) Biomass and the use of waste materials for energy production.
4) Geothermal energy.
5) Wind Energy.
6) Hydrocarbon substitution by solid fuels.
7) Liquefaction and gasification of solid fuels.

What procedure has to be followed?
Before anything inform yourself by obtaining the European Communities' Official Journal No. C 86 of 28.03.1983 at H.M. Stationery Office, P.O. Box 569, London SE1 9NH (tel. 928.69.77.) and then present your demonstration projects using the suitable forms.

For small- and medium-sized businesses
Fonctionaries of the Commission of the E.C. will be at your disposal at the Press and Information Office of the E.C. in: London, 20 Kensington Palace Gardens, on 25.04.1983, from 10.00 to 12.00 a.m.

Time allowed for the submission of your projects:
They should be sent as soon as possible and in any case before the 31.08.1983.

If you wish to have information of demonstration projects already selected by the European Communities, write to:

COMMISSION OF THE EUROPEAN COMMUNITIES, DIRECTORATE GENERAL FOR ENERGY,
rue de la Loi 200, B-1049 Brussels, Belgium.

Visit the largest Technology Fair in the world: 32.000 m², more than 500 exhibitors from the entire world

flanders' technology

International Trade Fair for New Technologies
Ghent - Belgium, 3-7 may 1983
For all information and admission tickets:
I.C.C. Floraliapaleis - B-9000 Ghent - Belgium
Tel. 091/22.40.22. - Telex 12666 icgicc-b

Granville & Co. Limited
(formerly M. J. H. Nightingale & Co. Limited)
27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

Over-the-Counter Market

1982-83 High	Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord. ...	135	—	6.4	4.7	7.8	10.3
158	117	Ass. Brit. Ind. CULS...	151	—	10.0	6.6	—	—
74	57	Airsprung Group	63	—	6.1	9.7	18.0	18.0
46	30	Armitage & Rhodes......	30	—	4.3	14.3	3.3	5.9
316	197	Bardon Hill	316	—	11.4	3.6	13.3	16.7
142	100	CCL 11pc Conv. Pref....	142	—	15.7	11.1	—	—
270	210	Cindico Group	210	—	17.6	8.4	—	—
86	52	Deborah Services	52	—	6.0	11.5	3.4	9.3
97	77	Frank Horsell	97	—	—	—	8.1	8.7
95½	75½	Frank Horsell Pr Ord 87	95½	—	8.7	9.1	10.6	11.4
83	61	Frederick Parker	62	—	7.1	11.5	3.9	6.2
55	34	George Blair	34	—	—	—	5.9	12.3
100	74	Ind. Precision Castings	78	−1	7.3	9.4	10.0	12.6
161	100	Isis Conv. Pref.	161	—	15.7	9.8	—	—
143	94	Jackson Group	143	—	7.5	5.2	4.4	9.1
208	111	James Burrough	208	+1	9.6	4.6	15.1	18.8
260	148	Robert Jenkins	152	−2	20.0	13.2	1.7	24.1
83	54	Scruttons "A"	71	—	5.7	8.0	9.2	11.1
167	112	Torday & Carlisle	115	+1	11.4	9.9	5.2	8.8
29	21	Unilock Holdings	25½	—	0.46	1.8	—	—
85	64	Walter Alexander	67	—	6.4	9.6	4.8	6.9
270	214	W. S. Yeates	264	—	17.1	6.5	4.1	8.4

Prices now available on Prestel page 48146.

UK COMPANY NEWS

Bank of Scotland lower as bad debts increase

AN INCREASE in bad and doubtful debt provisions from £15.4m to £27.1m pushed pre-tax profits of Bank of Scotland 2.1 per cent lower from £47.4m to £46.4m for the year to February 28 1983.

On a divisional basis this broke down as to a £32.5m (£32.4m) profit from the bank itself, £4.8m (£4m) from British Linen Bank and £9.1m (£11m) from North West Securities.

Earnings per £1 share are shown at 117.9p (123.9p) and the net dividend total is being stepped up from 21p to 24p with a final payment of 13.5p.

Operating profits of £48.3m were £0.3m down after charging interest of £9.1m (£1.4m) on subordinate loans.

Interest received amounted to £598.7m (£523.3m) while that payable totalled £463m (£413.7m). After taking account of this and debt provisions, together with investment income £28.5m (£27.6m) and miscellaneous revenue £45.7m (£41.6m), total group income was £182.8m (£163.4m).

There was a share of an associate loss of £0.4m (£0.8m profit) mainly because of North West Securities' share of the deficit of Henlys, and payments of £1.5m (£2m) to staff under profit sharing scheme. Tax absorbed £7.3m (£6.3m) for a net balance of £39.1m (£41.1m) and minorities this time came to £0.5m (£0.7m). There were extraordinary credits of £0.2m (£6m) and no debit in respect of special tax on banking deposits which for 1981 took £7.4m.

The group's provision balance for doubtful debt as at February 28 1983 was £65.8m (£50.4m); being £38.9m (£29.1m) specific and £26.9m (£21.3m) general.

Sterling funds employed in the clearing bank showed an average 31 per cent increase over those of last year. Average base rate was lower by 1.9 points, while the margin between it and deposit rate widened by only about a quarter of a point; sterling lending margins narrowed by a similar amount.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Alva Invest. Trust	5.6	—	5.6	10.5	10.5
Bank of Scotland	13.5	June 6	11	24	21
Boustead	0.75	—	0.75	1.25	1.25
Combined English	0.33	July 19	1.66	1.82	3.15
Cussins Prop.	3.1	June 3	Nil	5.1	2.9
Edinburgh Inv. 2nd int.	1.3	—	1.12*	2.18*	1.98*
Emray	0.5	—	0.5	0.5	0.5
Hambro Life	9.38	—	8.02	13.4	11.52
Harrison Cowley	2.7	May 31	2.45	4.2	3.85
Savoy Hotel	1.4	—	1.15	1.4	1.15
Tharsis	3§	—	2.5	3	2.5
Tilbury Group	3.5	June 24	3.17*	5	4.17*
Toye and Co.	1.75	—	1.75	1.75	1.75
Websters Group	1.9	June 1	1.7	2.7	2.5

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock.

J. Crowther back in the black

WOOLLEN textile manufacturer John Crowther Group has returned to profits in the second half of 1982 and finished the 12 months with £46,000 pre-tax, compared with losses last time of £270,000.

Turnover was nearly £2m better at £5.61m (£3.66m). There is, however, again no dividend payment on the 25p ordinary shares.

Last October the directors reported much reduced interim losses of £114,000 (£227,000). They said that trading in the second half was better and that the company was starting to benefit from its rationalisation programme.

This programme will be complete, they now state, in the next few weeks, and the company will receive increasing benefit in the current year. Also with the completion, more property units will be available for letting and rental income will increase.

The group's forward order book is greater than last year, and the company has been able to manufacture at high volume levels. It is on budget, inquiries for fabric are up and together with the turnover from new businesses, directors can foresee increased sales. They are optimistic of a profitable year.

Trading profits amounted to £248,000 (£124,000 losses), bank interest took £225,000 (£202,000) and the pre-tax figure included a £23,000 (£56,000) profit on the sale of fixed assets.

There was a tax credit of £3,000 (£5,000 charge) and after preference dividends of £10,000 (same) the retained balance was £39,000 (£285,000 losses). Earnings per share are shown as 1.1p (7.9p losses).

Comtech £15m issue package

BY DOMINIC LAWSON

Combined Technologies Corporation is raising about £10m for its subsidiary Mnemos, and is arranging for the shares of Mnemos to be introduced to the Unlisted Securities Market.

At the same time Comtech will raise £5.2m in a one-for-five rights issue at 42p per share. Comtech itself was demerged from Tricentrol in July 1981, and given a full Stock Exchange listing.

Mnemos has agreed to issue 3m new ordinary shares to a group of institutions at 65p per share. A further 12.45m ordinary shares in Mnemos will be offered to Comtech shareholders by way of rights at the same price.

Simultaneously with the Mnemos rights issue Comtech will offer 12.45m new Comtech shares to its shareholders (a one-for-five issue). Thus each Comtech shareholder is being offered one new Mnemos and one new Comtech share in respect of every five Comtech shares currently held.

Yesterday Comtech share price gained 3½p to close at 62p. After the issues Mnemos will have 46,349,745 shares in issue, capitalising it at just over £30m at the offer price.

Comtech will hold about 63 per cent of Mnemos. The net proceeds of issues will be about £9.4m and will be used by Mnemos to provide working capital for further development and marketing of its System 6000 product.

The net proceeds of the Comtech rights issue will amount to about £4.92m and will be used to increase the funds available for use within Comtech's product development division and to reduce bank borrowings.

Comtech estimates that it will make a pre-tax loss of not more than £5.1m for the year to March 1983, after charging research and development costs of £5.9m in respect of Mnemos and other products. Mnemos is incorporated in Bermuda, and Comtech is to transfer its own tax residence to another EEC country, probably Luxembourg or Holland, as soon as possible.

The rights issues have been underwritten by Hambros Bank, and brokers to the issues are de Zoete & Bevan.

The Mnemos 6000 is a new information distribution system. It is based on the Mnemo-Disc which stores information in analogue and digital form.

Mnemos has been developed as part of Comtech Product Development division. Mr James Longcroft, chairman of Mnemos (as well as Comtech and Tricentrol) said yesterday: "we are entrepreneurs in high technology." Mr Longcroft added that it was quite possible that Comtech would float other product companies on to the USM, but not before 1985.

Last November the shares of Comtech rushed from 10p to 80p on speculation that VW would install the Mnemos 6000 system worldwide among its dealerships. Despite two years of discussions with VW, Comtech has yet to receive any order for the 6000 system. Yesterday Mr Longcroft admitted: "We made a bit of a mess at the beginning, we didn't market the thing properly, and we underestimated the time lag between first contact and first order and between first order and delivery."

When asked why Comtech did not wait until Mnemos got its first order before coming to the USM, Mr Longcroft replied: "it is a subjective decision. We are aware that we could have got a much better price for the Mnemos shares had we waited until such a time."

The director of Mnemos anticipate that Mnemos will make losses in its early years, but will move into profit in the year ending March 1986.

See Lex

More Issue News, Page 20

Hambro Life valuation —£19.5m surplus

THE 1982 annual valuation of Hambro Life Assurance has revealed an actuarial surplus of £19.51m—an increase of more than 16 per cent on the previous year's surplus of £16.76m.

Total dividends for 1982 are lifted by 16.3 per cent from 11.52p to 13.4p with a final payment of 9.375p.

A sum of £15.91m of the revealed surplus is being transferred to the profit and loss account, of which £15.23m is absorbed in dividend payments, less waivers. This leaves share capital and reserves at the end of the year at £20.3m, while the retained actuarial surplus now amounts to £20.6m.

As already reported, new annual premiums in 1982 increased by 4 per cent to £69.6m, and single premiums by 24 per cent to £132.2m, with new initial commissions up by 6 per cent. Total premium income advanced during the year by 21 per cent to £387m and total assets at the end of 1982 amounted to £1.86bn.

The company reports that new business in the current year is significantly ahead of the corresponding period last year, with the new adaptable life plan, introduced in January to replace the whole life plan, being enthusiastically received. Sales of the new contract have been at around one-third increase in the number of policies being sold, with the average premium per policy being 20 per cent higher.

The improved productivity per man in the company's sales force seen in 1982 has continued this year, while steps have been taken to increase branch management strength which should see recruitment pick up again this year.

● comment

Hambro Life has apparently let most of the surplus earned in 1982 come through in the valuation, with the result that earnings are up by 16 per cent and the dividend is increased by a similar amount. Thus last year's dullish new business figures will show up in this year's valuation, but already the steps taken by the company to get sales moving ahead with new products and higher productivity appear to be coming through. The Dunbar acquisition is already earning its keep and Mark Weinberg, Hambro Life's chief executive, has high hopes for the new ventures to be launched later this year—a financial planning service and a move into the expatriate market. The £39m raised from the sale of a 10 per cent equity holding to Guardian Royal Exchange is still on deposit but currently earning its keep. The market was reassured by the results and the optimistic outlook with the share price improving 4p to 374p giving a gross yield of 5.25 per cent.

Midway surge by Highland Electronics

The recovery which started at Highland Electronics Group in the last full year has continued and resulted in pre-tax profits surging to £200,710, against £38,115 for the six months to the end of October 31 1982. Turnover moved up from £4.3m to £4.5m.

The order level of all trading companes in the group continues to strengthen and the directors are confident of a substantial improvement in the second half of the year. Much of the improvement is coming from the sales of new products which should assure further growth.

In the last full year pre-tax profits of £173,229 were made against previous losses of £478,515. The directors expected the first half to show further improvement.

At the midway trading level profits rose sharply from £173,202 to £298,784, and the pre-tax figure was further boosted by a reduction in interest charges from £135,087 to £98,074.

Tax this time amounted to £100,000 (nil) which left net profits at £100,710.

Savoy recovery gathers pace

HOTEL AND restaurant group Savoy Hotel moved from taxable losses of £604,000 to profits of £1.82m in 1982, on higher total receipts of £37.06m compared with £33.89m.

At the half year stage the company had already advanced from losses of £1.27m to profits of £300,000.

The directors say that all the group's hotels in London are enjoying a considerable success and that their confidence in its independent future has been fully justified. They point out that the year's results are substantially better than any of the past 10 years except Jubilee year.

They expect the current year to show a further advance.

In view of the improvement, the year's dividend is being increased from 1.149p to 1.4p net per share.

Taxable profits were struck after general maintenance costs of £3.71m (£4.52m), depreciation and amortisation of £691,000 (£639,000), and interest payable of £347,000 (£1.32m) and included interest, dividends and fees receivable of £200,000 (£457,000). Last year there was also additional PAYE and NI liability of £54,000. There was a tax charge of £74,000 (credit £668,000).

Minority debits of £19,000 (£8,000 credits) left attributable profits of £1.73m (£6.05 after extraordinary credit of £5.97m).

Trusthouse Forte has a substantial share holding in the company following an unsuccessful bid in 1981.

● comment

It only goes to show the value of a touch of adversity. The Savoy Hotel's £2.4m turnround in 1982—with a fivefold increase in pre-tax profits in the second half—puts it in the black for the first time in two years. The improvement was partly due to a late but healthy influx of foreign visitors attracted by cheaper sterling. Rooms provide the group's most profitable trade, in contrast to food, which depends on a predominantly English market. A radical reduction in interest payments on borrowings cut by a property sale, also takes some credit. But the unwelcome attentions of Trust House Forte played a significant part in focusing the management's mind on improving profitability; a tricky process in luxury hotels and restaurants which clearly cannot afford to make cuts in operating costs noticeable to customers. The increased dividend goes some way to strengthening the Savoy's arguments for its continued independence, although it seems justified by the figures, being covered more than twice. The shares rose 2p to a record 286p with the p/e up in the clouds. Even allowing for the tight market, they look highly overvalued in view of THF's apparent lack of interest in resuming its bid.

Toye progress after shedding loss-maker

Pre-tax profits of Toye and Company, manufacturer of civil and military regalia and jewellery, improved from £44,144 to £129,590 in 1982. The directors say the company made some progress during the year, having disposed of Taylor Maid (consumer marketing), the major loss-making subsidiary.

Turnover rose from £5.92m to £6.2m—the 1981 figure excludes £1.35m of Taylor Maid.

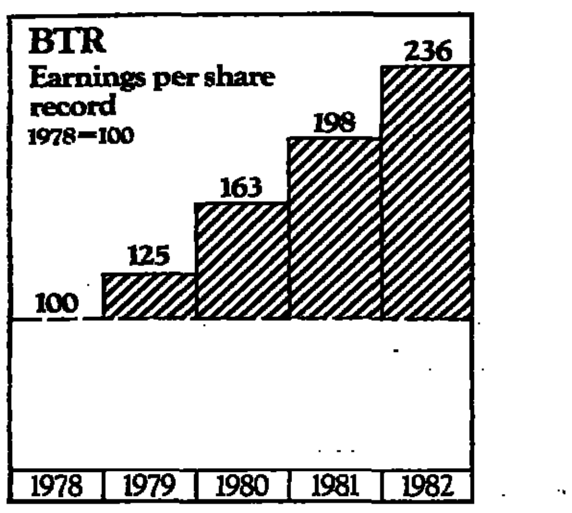
After tax considerably lower at £18,199 (£82,458), attributable profits came out at £111,391 (£91,377 after an extraordinary debit of £35,225).

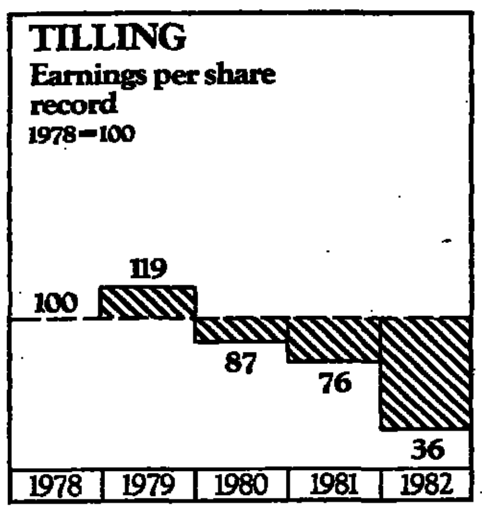
The dividend is unchanged at 1.75p net, but stated earnings per 25p share were down from 5.83p to 4.96p.

This advertisement is published by Morgan Grenfell & Co. Limited on behalf of BTR plc.

GROWTH

The record speaks for itself.
What better way for shareholders to measure management success?
1982 was BTR's 16th consecutive year of growth in earnings per share. But for Tilling 1982 was another year of deterioration.





BTR-Tilling
There's no comparison.

BTR

BACK THE BTR BID

The directors of BTR plc (including those who have delegated detailed supervision of this advertisement) have taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate and each of the directors accepts responsibility accordingly.

Harrison Cowley 1982

PROFIT UP 7% TO £558,000

INCREASED FINAL DIVIDEND

MAJOR ACCOUNT GAINS IN 1983

Harrison Cowley (Holdings) PLC and Subsidiary Companies
Group Results for the year ending 31st December.

	1982 £000's	1981 £000's
Sales	17,642	18,011
PROFIT BEFORE TAXATION	558	520
Taxation	303	276
Profit After Taxation	255	244
Extraordinary Charges	-	18
Attributable Profit	255	226
EARNINGS PER SHARE	5.1p	4.9p
DIVIDENDS	per share	
Paid: Preference	2p	2p
Interim Ordinary	1.5p	1.4p
Proposed: Final Ordinary (payable 31.5.83)	2.7p	2.45p
Cost of Dividend Payments:	£211,324	£193,824

Chairman's Comments
- Important new account gains
- Healthy cash position
- Ordinary Dividend totals 4.2p per share

Harrison Cowley (Holdings) PLC

KWIK SAVE DISCOUNT GROUP PLC

INTERIM STATEMENT

The unaudited results for the Group for the 26 weeks ended 26 February, 1983, are:

	26 weeks to 26.2.83 (unaudited) £'000	26 weeks to 27.2.82 (unaudited) £'000	52 weeks to 28.8.82 £'000
Sales	267,936	235,213	491,344
Trading profit before taxation	12,331	10,683	23,620
Less: Provision for taxation	6,412	5,555	10,561
Profit after taxation available for distribution	5,919	5,128	13,059
Earnings per share	7.88p	7.35p	18.06p

Sales have increased by 13.9%, whilst there was a 15.4% increase in profits. Concessionaire rentals including Coleman Meat rose from £2.18m to £2.56m and net interest received increased from £763,000 to £784,000.

Taxation for the half year has been provided at full tax rates which, over a full year, will be the subject of capital allowances and stock relief.

During the first half-year, we have opened 20 stores and closed 1, with a further 4 stores opened since. We anticipate that by the end of the financial year we shall be operating in about 345 stores.

The directors have declared an interim dividend of 2.3p per share (1982 2.0p) on the ordinary share capital payable on 1 July 1983 to shareholders on the register on 27 May 1983.

The Board have, with regret, accepted the resignation of Mr. Michael Weeks, joint managing director, on the grounds of ill health. His executive duties are being handled by other members of the Board.

The Board have appointed Mr. Ian Howe as deputy chairman and chief executive and Mr. William Postlethwaite as managing director.

UK COMPANY NEWS

Tilbury profits rise to £2.51m

DESPITE a marginal fall in turnover from £47.32m to £44.52m, taxable profits of civil engineer and building contractor, Tilbury Group moved ahead to £2.51m for 1982. This is compared with £2.18m which included exceptional credits of £591,508.

At the interim stage profits *were up from £814,000 to* £956,000 and directors said that progress was expected to be maintained in the second six months.

After 12 months' tax charge of £777,815 (£565,149) earnings per 25p share are shown as 14.63p (13.63p) and the dividend is effectively raised to 5p (4.17p adjusted) net with a final pay*ment of 3.5p. Also proposed is a* one-for-four scrip issue.

Liquidity has again improved, the directors state, and the group is well placed to benefit from any upturn in business. The board is cautiously optimistic regarding an improvement in trading conditions.

Pre-tax profits included associate company share of £68,739, compared with £28,681. *After* tax, and an extraordinary debit of £106,400 (£113,321 credit) the available balance came through behind at £1.62m, against £1.78m.

Dividends will absorb £591,708 (*£493,000*) *leaving* £1.03m (£1.23m) retained.

On a *current* cost basis the pre-tax figure is reduced to £896,809 (£839,926).

● comment

Tilbury has followed a deliberate policy during the recession in the construction industry, of allowing turnover slip and to cut workfore rather than seek high volumes at slim margins. *Over* the past two years, employees have halved to 1,150, while 1982's turnover shrank 6 per cent. The greater than expected profits increase indicates that the policy has so far worked. The group claims that turnover has reached the bottom of its decline in both the building division and the important civil engineering arm. It points to the plant division's return to marginal profit—an area which has always been a revealing signpost to the general direction of the construction industry. *However*, Tilbury's traditional emphasis on the first time buyers' and old people's housing market could prove burdensome if those areas become saturated because it lacks the technical resources to move upmarket. Following the withdrawal of Espley-Tyas, potential predators seem to have disappeared, sent well on their way by the increased dividend. The shares rose 6p to 140p on a p/e of more than 25, rather high for the sector.

CES strong second half but payout cut by 1.33p

Combined English Stores, the specialist multiple retail concern, returned profits of £1.75m pre-tax for the 52 weeks ended January 29 1983 *following* a sharp recovery in the second six months compared with the opening half when the group fell £1.6m into the red.

The dividend, however, is being cut by 1.33p per 12½p share.

Although the figures for the full year were £831,000 behind those of the previous 12 months the result was struck after charging exceptionally heavy costs above the line as a result of reorganisation at Harry Fenton which incurred trading losses of £1.79m for the year.

The directors say that under a new management team Fenton has been reorganised and repositioned in the market place and a new, more casual image adopted.

In the course of the reorganisation abnormally large amounts of merchandise were sold at substantially reduced prices and redundancy and compensation *payments were also incurred*.

Although the recession is still making conditions difficult for the group companies the directors are confident that the action taken, particularly with Fenton, combined with some hoped-for improvement in economic conditions will produce a better result in the current year.

Meanwhile, the dividend for 1982/83 is being cut from 3.15p to 1.82p by a reduced final of 0.33p (1.66p).

Sales of the group expanded from £96.67m to £102.7m but trading profits plunged from £2.34m to £1.26m. A share of profits of associates added £492,000 (£338,000) and property disposals £1.34m (£1.42m).

At the attributable level the group finished with profits of *£848,000 (£3,000) after deducting* £885,000 (£783,000) *for* tax, £52,000 (£119,000) for minorities and £166,000 (£1.78m) for extraordinary items.

Stated earnings per share emerged at 1.64p, compared with 3.62p previously.

● comment

The pre-tax profit of CES is down *to a very modest £903,000 if* £1.34m from property disposals is stripped out. Fentons, its meanswear chain is the main culprit. It incurred a £1.7m loss, of which £1.3m went in redund*ancies*, the *selling off of old stock* and the refurbishment of the new-look shops. The expensive *face-lift* is now complete, the company says, and with turnover up 20 per cent in the first quarter of 1983 it expects a substantial improvement in Fenton's performance this year. The drastic cut in the CES final dividend from 1.66p to 0.33p, came as a great surprise after the *interim dividend had been* held at 1.49p. Chairman Murray Gordon described it as "totally prudent" and the market, concerned at the high level of dividends in the last three years, agreed marking the share price down just 1p to 31p. CES has relied on property profits to compensate for lacklustre retail results since 1979 when it made £5.51m. *It is not likely to make* that this year, but with trade picking up in the High Street, benefitting Salisburys, Collingwood and Fenton, the group could make between £3m and *£4m. At 31p the shares yield 8* per cent and the p/e ratio is 19.7.

Abertha w on target at £3.1m

PRE-TAX PROFITS of £3.13m have been produced by Aberthaw Cement for 1982, which compares with a forecast of not less than £2.96m made last February at the time of the successful offer by Blue Circle Industries. In the last full year pre-tax profits amounted to £3.19m. Turnover moved ahead from £32.88m to £35.97m.

Pre-tax profits were struck after depreciation of £1.07m against £1m, and reduced interest charges of £471,000 compared with £718,000. Also included were deferred grants received of £178,000 (£169,000).

Tax increased from £805,000 to £1.13m. Earnings per share are shown as slipping from 61.08p to 51.08p.

Cussins Property edges ahead and hoists payout

TAXABLE profits of Cussins Property Group for 1982 edged ahead from £1.25m to £1.3m, despite the absence of any significant commercial property sales as the directors pursued their policy to increase the investment portfolio.

Investment properties at the year end were valued at £4.2m, an increase of £900,000 during *the 12 months*.

Higher tax of £497,060 (£393,200) had the effect of cutting net profits from £857,018 to £803,545 and earnings per 20p share from 15.61p to 14.64p. Nevertheless, the net dividend total is being hoisted from 2.9p to 5.1p with a final payment of 3.1p.

At halfway, when profits were down from £606,000 to £515,000 the directors said they were looking for a satisfactory outcome for the full year. They now say that the current 12 months has started well.

Turnover for 1982 advanced from £6.28m to £6.85m and there *were extraordinary debits this* time of £21,042 (£199,935). Dividends cost £146,968 (£86,148) and the retained balance totalled £635,535 (£570,935). On a CCA basis, pre-tax profits amounted to £1.2m (£1.12m) and £530,000 (£443,000) was retained.

151 companies wound up

Compulsory winding up orders against 151 companies were made in the High Court. They were:

Tramp (Midlands), Breanvale, Trent Helicopters, Network Video (North West), Treble Two Engineering, Uvex Controls, J. and M. Fish and Poultry, Scanlore Properties, and Skimmex.

Storkborough, Londra International, Morris, Oakley and Bigger (Resins), Pucknoll, Laurence Hooper, Silvergray Coaches, Mid-Warwickshire Motors, A.E. (Realisations) (*Macclesfield*), and Venus Coins.

Real Motors, Tolvar Jewellers, Malcolm Beeston, J.J.S. Veneers, Buromobel, Sharp and Sharpe, Cumberland Fibres, Radley Fashion Group (Distributors), and Trumpton Toys.

Ordasum, Greenblay Properties, South West One Properties, Spence Commercial Investigators (Europe), Sporule, Divney, Ashforth, and Piccadilly Whip.

Bridges and Garrard, Interdelcom, Frederick Lawrence Contract Furniture, Loangold, Mildhurst, Sydney Frankenburg Royal British Legion Club, Testamix, and T. *Williams* (*Dovercourt*).

African and Eastern Development Co (London), Allan Howling Transport, Celyn Services, Cardigo, Decor (St Albans), Lingford Industrial and Engineering, Kimpin, and Trackbond.

Power Presses and Plant, Alan Pond, Alan Pond London, Halorose, Productive Forestry, Younger Furniture, Alpha Garments and Co, Ranbra, and Fortelite Gypsum Products.

Copycare Business Machines, Mechemco, Levant Shipping Agency, G. F. Grant and Co, Sanmend, Eaglesfield Computer Services, Carlton Brent, and Vouchclass.

Grand Prix (Midlands), Richgrange, Dapplewell, William *Kiely and Son, Daymore Frozen* Confectionery, Keyco Security Systems, F. Austin (Leyton), Hullrook, P and A Software, and P and B Dodgson Transport.

Simhart, Steddle Developments, Avalon Caravans, *Morgan* Wallwork, Contax Caterers, Stagyard, Kenhill Construction, and Spurdale.

Heo Paper Company, M. J. Rockall and Sons, R. A. East, Lynx Auto Electrics, A. J. Hough (Childrenswear), Anglo-French Designs, and Crayden Toolings.

ECB Estates, Gwynant Timber and Minerals, Speedproof, Ashlawn Builders and Contractors (Rugby), Signcrest, John O'Neill, Technical Research, Peter Collins (Motor Cycles), and Monobuild (Special Projects).

St John's Metals, Heapborough, Grandprint, Melandy, Porter-Holden, Standard Colour, Colin Anthony Diamonds, and Hobson Browning.

S. R. Thompson (Car Radio), Central Cleaning Contractors (Leicester), Cheapprest, Beaverview, Jade Design, IS Design, Golden Jackets, Benelake Investments, and J. Rolls Contractors.

Kenneth Silverstone, Eastern *Transport (Bulk Liquids), Stern* Petroleum, Princo, Saitch Thermal Insulations, Smilemay, P. Burpitt and Sons (Heating Installations), and Eatons of Leicester (Transport).

Mallard Jersey, *RA Caravans*, Special Homes (Thames), Hartley Steward (Crane Engineers), P. J. Stacey (Plant), Senitron International Corporation, White Rose Foods, Bonne Quiche (Bakeries), and G and D Construction (Garston).

Red Lion Leisure Services, Aphelion Electronics, Scientific and Technical (Retail), Tamor Farms, Jyoti Products, Highway Suede and Leatherwear, Hoo Waste Paper Company, and Aztec Solar.

Magnus Easy Services, Mogul Car Hire (Surrey), Wyncrest, *Brian Foster and Co* (*Plant* Hire), Program Two, Craftdene Furniture, and Span Securities.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

CHARLES BOOTH

PUBLIC LIMITED COMPANY

(Incorporated in England under the Companies Act 1948, Registered Number 788895)

SHARE CAPITAL

Authorised		Issued and to be Issued Fully Paid
£1,400,000	in Ordinary Shares of 5p each	£1,145,751.75

LOAN CAPITAL

Nominal Amount		To be Issued
£1,145,128	10% Convertible Unsecured Loan Stock 1990	£1,145,128

In connection with a placing by Robert Wigram & Co. of 688,000 Ordinary Shares of 5p each, fully paid, at 20p per share application has been made for the grant of permission for the whole of the issued share capital and the 10 per cent Convertible Unsecured Loan Stock 1990 of Charles Booth Public Limited Company to be dealt in on the Unlisted Securities Market. It is emphasised that no application has been made for these securities to be admitted to the Official List. Dealings are expected to commence on Tuesday, 26th April 1983.

A proportion of the shares being placed will be available to the public through the market, subject to the grant of permission to deal in the Unlisted Securities Market.

Particulars relating to Charles Booth Public Limited Company and to the 10 per cent Convertible Unsecured Loan Stock 1990 are available in the Extel Statistical Services and copies of such particulars may be obtained during normal business hours on any week day (Saturdays and Public Holidays excepted) up to and including 10th May, 1983 from:

Robert Wigram & Co.,
Princes House
95 Gresham Street, London EC2V 7LS

Who pioneered domestic double glazing?

The manufacturing and marketing of domestic double glazing in the UK was largely pioneered by Weatherseal Windows who remain a foremost manufacturer and innovator in the field.

Weatherseal is just one of the well known names in the London and Northern Group. Others equally famous in their fields include *Pauling*, a major force in Overseas Civil Engineering for over 100 years; *Blackwell/Tractor Shovels*, the leading UK heavy earthmoving operators; *Edenhall*, the UK's biggest producer of concrete facing bricks and *Steel Stockholders* of Mossend, Lanarkshire, the largest steel profiler in the UK and possibly Europe.

Send for the latest Report and Accounts to find out more about London and Northern, a Group with £217m turnover in 1981, which has increased or maintained its dividend for seventeen years – every year but one since going public in 1963.

London and Northern Group PLC, Essex Hall, Essex Street, London WC2R 3JD. Tel: 01-836 9261.

London and Northern Group PLC

Construction and Civil Engineering – *and much more besides.*

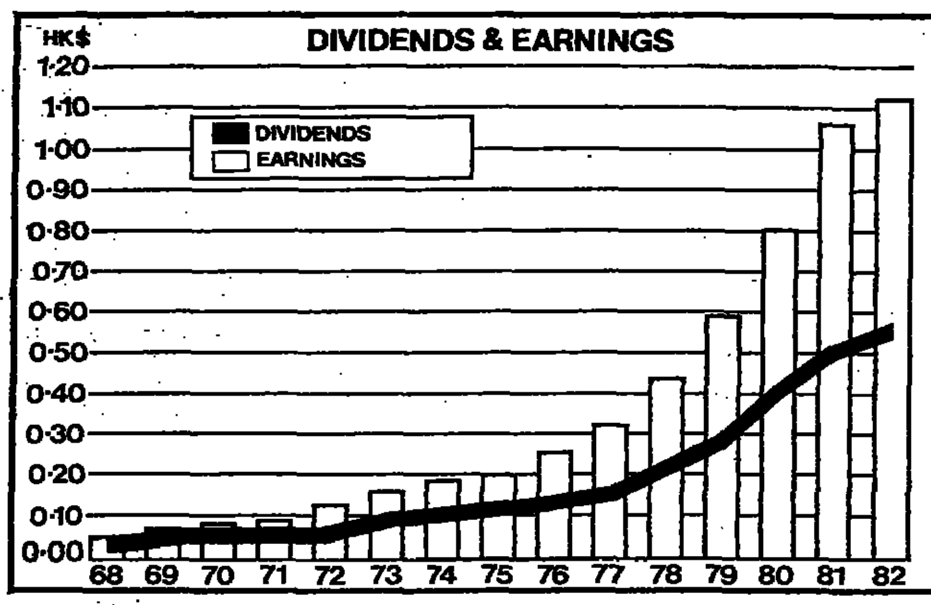
Housebuilding · Earthmoving · Plant Hire · Double glazing · Building Services · Coal Reclamation · Concrete blockmaking

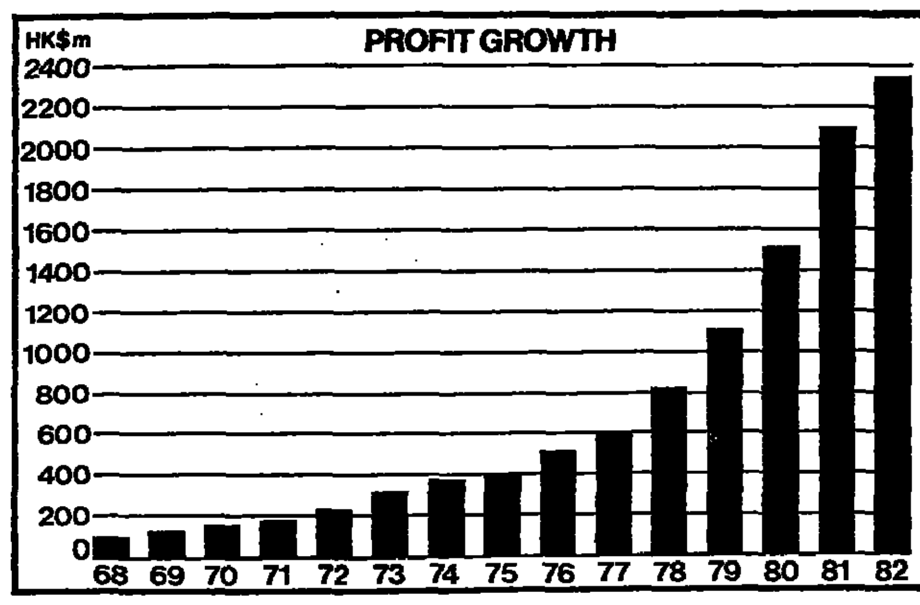
HongkongBank Group - sustained growth in 1982

Highlights from Annual Report

Mr M G R Sandberg, CBE, Chairman

- Group profits of HK$2,357 million, up 11% over 1981
- Dividend of HK$0.55 per share (1981: HK$0.49 adjusted)
- Bonus issue of one for ten
- Marine Midland Banks, Inc reported net income of US$86.9 million, up 7% over 1981
- The British Bank of the Middle East reported 45% profits increase to £20.6 million
- Hang Seng Bank Limited reported profits of HK$713.7 million, up 20% over 1981
- Wardley Limited, our main merchant banking arm, recorded reduced profits but business remained at a high level
- Antony Gibbs Holdings Limited has returned to profitability and is making good progress
- Finance and investment companies reported good results in a difficult year
- Carlingford Insurance group made progress in a year of consolidation





1982 Highlights	1982	1981	1982
	HK$ millions		£ millions
Total Assets	379,186	304,293	35,932
Issued Capital	5,200	3,899	493
Total Shareholders Funds	15,606	14,147	1,479
Group Profit	2,357	2,116	223
Transfers to Reserves	440	588	41
Total Distribution	1,144	996	108
	HK$		p
Earnings per share (adjusted)	1.13	1.07	10.2
Dividend per share (adjusted)	0.55	0.49	5.0

HongkongBank

The Hongkong and Shanghai Banking Corporation

Marine Midland Bank · Hongkong Bank of Canada
The British Bank of the Middle East
Hang Seng Bank Limited · Wardley Limited
Antony Gibbs & Sons Limited
Mercantile Bank Limited

Consolidated assets at 31 Dec 1982 exceed US$58 billion

This Advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

STRIKES RESTAURANTS PLC

(Registered in England No. 1608292)

SHARE CAPITAL

Authorised £		Issued or allotted fully paid £
1,000,000	Ordinary shares of 10p each	600,000

Placing by
HENRY ANSBACHER & CO. LIMITED
of 600,000 Ordinary shares of 10p each at
47p per share

Application has been made to the Council of The Stock Exchange for the whole of the issued 6,000,000 Ordinary shares of 10p each in the capital of the Company to be admitted to the Unlisted Securities Market. A proportion of the shares being placed is available to the public through the market. It is emphasised that no application has been made for these securities to be admitted to official listing. Particulars of the Company are available in the statistical services of Extel Statistical Services and copies of such particulars may be obtained during usual business hours on any weekday (Saturdays and Bank Holidays excepted) up to and including 6th May, 1983 from:

Henry Ansbacher & Co. Limited,
1 Noble Street,
London EC2V 7JH

Vickers da Costa Limited,
Regis House,
King William Street,
London EC4R 9AR

20th April, 1983

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange

MICROLEASE plc

(Registered in England under the Companies Acts 1948 to 1981)

Number 1154019

SHARE CAPITAL

Authorised £		Issued and to be issued fully paid £
500,000	In 5,000,000 Ordinary Shares of 10p each	340,000

In connection with a placing by Simon & Coates of 826,550 Ordinary shares of 10p each at 94p per share, application has been made to the Council of The Stock Exchange for the grant of permission for the whole of the issued share capital of Microlease plc to be dealt in on the Unlisted Securities Market. A proportion of the shares being placed are available to the public through the market. It is emphasised that no application has been made for these securities to be admitted to official listing. Particulars relating to Microlease plc are available in the Extel Statistical Services and copies of the Prospectus may be obtained during normal business hours on any weekday (Public Holidays and Saturdays excepted) up to and including the 9th May, 1983.

SIMON & COATES
1 London Wall Buildings, London EC2M 5PT

BIDS AND DEALS

Humphries in talks with Technicolor

Humphries Holdings, the loss-making developer and printer of motion films which is 75 per cent-owned by British Electric Traction, has had an approach which may lead to a bid from Technicolor (UK).

Technicolor said yesterday that it was too early to speculate on an offer price. According to Humphries' latest report and accounts, it has net assets worth about £5m. The company's shares leapt by 16p to 48p on news of the approach, giving a market capitalisation of £3.6m.

Humphries announced in January that it was holding talks with the Rank Organisation on a possible merger of its film laboratory interests. Discussions came to a halt while the Office of Fair Trading deliberated on whether or not to refer the merger plan to the Monopolies Commission. The OFT gave the green light last month, but talks have not resumed and are now frozen while those with Technicolor take place.

Technicolor is 70 per cent-owned by Technicolour Inc of the U.S., with Thorn EMI holding the other 30 per cent. While Rank is understood to be the UK market leader in motion film processing and developing, Technicolor takes second place, with Humphries probably ranking third.

Humphries has seen increasing competitive difficulties in recent years—in part because of the serious impact of video piracy on the size of the overall market for film processing. From pre-tax profits of over £1m in 1980-81, the company revealed interim losses of £56,000 for the first half of the present financial year. Full-year figures, to March 31, are expected to show losses stretching to more than £100,000.

Mr John Davey, chairman of Humphries, said yesterday that the market "continues to be difficult." While the film laboratory industry needs some rationalisation, he said, Humphries had not "gone out of its way" to encourage a bid.

At Technicolor's 300 work-force factory at West Drayton, near Heathrow airport, chairman Mr Ray Dutfield said: "We are only in discussions at this point—it's a very early stage of play.

"We are all having to work a little bit harder at the moment. Since we are operating in the same market sector, it might make sense to rationalise resources."

3.5m MAI shares placed

Hambros Bank has arranged the placing of 3.51m **Mills and Allen International** ordinary shares, previously held by Providence Capitol Life Assurance Company at a price of 384p per share.

Following the recent rights issue, PCLA's holding of 701,032 ordinary shares (nil paid) were placed at 95p per share. In addition the 774,193 ordinary shares (nil paid) of Sime Darby London were placed at 95p. The brokers were Rowe and Pitman and Laurie Milbank and Co.

PCLA is no longer interested in any shares of MAI. Sime Darby London continue to be interested in 3,870,968 shares representing 9.8 per cent of the issued share capital as increased by the rights issue.

T & N SELLS 50% STAKE IN COOPERS

Turner & Newall, the building, automotive and asbestos products group, has sold its 50 per cent holding in Coopers Mechanical Joints (Australia) to Repco Corporation, Australia's largest automotive parts manufacturer.

Repco now owns 100 per cent of Coopers' shares. As part of the same deal, Flexitallic, a division of Coopers, has been hived off, to be jointly owned by Turner & Newall and Repco. Repco paid Turner a net £1.8m after both aspects of the deal were tied up.

Flexitallic manufactures and supplies high pressure spiral wound gaskets for refining, mining and industrial markets.

CHARTER/ANDERSON

Charter Consolidated has continued to receive acceptances for its offer for **Anderson Strathclyde** which has resulted in it owning or controlling by April 15 1983 40,552,164 Anderson shares (85.5 per cent). The offer remains open.

PENNINE

Edenspring Investments' offer for **Pennine Commercial Holdings** has been accepted in respect of 83.39 per cent of the ordinary capital and has been declared unconditional.

Imperial Foods settles its dispute with Hillsdown

BY CHARLES BATCHELOR

Imperial Foods and **Hillsdown Holdings**, the privately-owned foods company, have settled their £24m dispute which arose after Imperial's sale of its egg and poultry business to Hillsdown last May.

The sale price has been cut by £9m to £39.2m but Hillsdown will complete payment by October 1983 instead of by April 1987. It paid £10m on Monday and will pay the balance in October.

Under the original agreement Hillsdown would have paid the balance of £29m in nine half-yearly instalments ending 1987.

The two sides refused to reveal the nature of the dispute which forced Imperial Group, the parent company of Imperial Foods, to record in its 1982 accounts that it might face a claim of £24m from Hillsdown.

Imperial said the accelerated payment would allow it to invest earlier and at a lower cost in trading assets which would produce a higher return than those expected under the previous agreement.

Assuming an inflation rate of 8 per cent the final payment from Hillsdown would have been worth only £2.3m in today's money against its nominal value of £3.2m.

Interest payments on the balance would have depended on the profitability of the egg and poultry business and this has fluctuated strongly in recent years, it added.

Mr Harry Solomon, managing director of Hillsdown, said the agreement was amicable. The company will raise the entire £20m now required by means of a medium-term loan provided by a group of banks led by Kleinwort, Benson.

Imperial's shares fell 3p to 112p.

1.2% accept bid for Davenports

Wolverhampton and Dudley Breweries revealed yesterday that its £23.5m bid for **Davenports**, the only independent brewer in Birmingham, had attracted acceptances from just 1.17 per cent of ordinary shareholders by the first closing date on Monday.

Announcing that it planned to extend the offer for a further two weeks, Wolverhampton said that with shares already owned, it now held 10.96 per cent of Davenports' ordinary shares.

When it announced last week that it intended to contest the bid, Davenports forecast a 29 per cent leap in trading profit—to £2.1m—for the year to October 1 this year. On the strength of this anticipated growth, the board said it planned to increase dividends by 80 per cent, from 4.66p in 1981-82, to 8.4p.

In its rejection document, Davenports said the bid did not reflect this improved performance, and "materially undervalued" its potential.

Wolverhampton originally bid £21m for Davenports on March 9. This offer was raised to £23.5m two weeks later. The offer has now been extended to May 3, with Wolverhampton planning to write afresh to Davenport shareholders. Wolverhampton shares rose 2p to 284p on the news, with Davenports slipping 2p to 295p.

WARD WHITE

Norris Industries Rushden, a subsidiary of the **Ward White Group**, has sold its tanning machinery and waste compactor manufacturing division to J. P. Maziak Company (Engineers) for £130,000 in cash. Part of the consideration is payable on a deferred basis.

HOWARD MACHINERY

Negotiations over the future of **Howard Machinery's** Australian subsidiary, Howard Rotavator Pty, have been successfully concluded. The arrangement is subject to preparation of detailed half-year results of HRA. Milai Pty, in addition to a management contract, has agreed to arrange additional funds for HRA. In return, Howard Machinery has granted Milai an option for a period of three and a half years to buy 49.9 per cent of the equity of HRA. The option will be satisfied by a cash payment to Howard Machinery at the date of exercising the option, equivalent to 25 per cent of the shareholders' funds which, at October 31, 1982, were valued at £3.3m.

Both HM and Milai believe there are good prospects for recovery, once the current drought has ended—losses have accelerated rapidly over the last nine months.

SIR JOSEPH CAUSTON CITIFORMS PAYMENT

The original announcement accompanying the acquisition by **Sir Joseph Causton** of Citiforms (Printing) and Citiforms (Sales) and 75 per cent of Optima Graphics stated that the consideration for the acquisition of Citiforms would not exceed £860,000 and would be based on a formula of three and a half times pre-tax profits in the year to May 31 1983 plus £60,000; £457,306 of the consideration was paid in December 1982.

The Causton directors say it is now apparent from the trading results of Citiforms that the maximum will be payable and they have decided, under the terms of the acquisition, to issue to the vendors of Citiforms 250,000 new ordinary Causton shares credited as fully paid as satisfaction of the first £100,000 of the additional amount due. These shares will not rank for the final dividend to be declared in respect of the 16-month period to January 31 1983.

WM. STEWARD

William Steward Holdings which is the parent company of various electrical and mechanical building services companies has taken over Port Chester Electric Construction Corporation of New York.

This is the first venture of the Steward group into the U.S., although they are active in the Middle East and Africa.

Port Chester is an East Coast contractor with a turnover in excess of $10m.

SHARE STAKES

London and Continental Advertising Holdings — Following disposal of 250,000 ordinary shares Mr D. J. Comino is interested in 415,000 shares and Mrs K. Comino in 200,000 shares, following a purchase of 250,000 ordinary, Hill Samuel Beech Street Trust is interested in 935,000 shares

Sale Tilney — R. A. P. King, director, acting as investment advisor to a trust, has purchased 57,000 ordinary shares.

F. W. Thorpe — Whitecroft's holding has reached 154,000 ordinary (5.01 per cent).

Tilbury Group — Suter has reduced its holding from 1.1m to 975,000 leaving total holding at 8.24 per cent.

Wilson (Connolly) Holdings—M. E. D. Robinson, director, has disposed of 35,000 ordinary shares.

Websters Group — Billetts Nominees holds 596,015 ordinary (5.05 per cent); Royal Bank of Scotland London Trustee Co holds 711,404 ordinary (6.02 per cent).

Capper Neill—Following the attainment of a defined age of beneficiaries to a trust the non-beneficial interest of W. P. Capper, a director, has been reduced by 60,000 ordinary shares.

GH and Duffus Group—J. M. A. van der Zeijden, a director has sold 25,000 ordinary shares reducing holding to 80,390.

Arthur Guinness and Son—Finn B. Guinness, a director, has acquired 125,530 stock units increasing holding to 3.69m 2.09 per cent).

Jebsens—MIT Securities, following the sale of 243,165 ordinary shares, is interested in 1.17m registered in the name of Hambros Bank (Nominees). Hambros, by virtue of the interests of its wholly owned subsidiaries Hambros Bank Ltd, MIT Securities and General Trust, is interested in 1.79m ordinary shares registered in the name of Hambro Bank (Nominees). Jebsen's (UK) is interested in a total of 1.17m ordinary shares registered in the name of Hambros Bank (Nominees).

Watson and Philip—FFI (UK Finance) has reduced its holding to 1.15m ordinary shares.

Thomas Marshall (Loxley)—T. T. M. Hale, a director, has acquired a total of 171,137 ordinary shares.

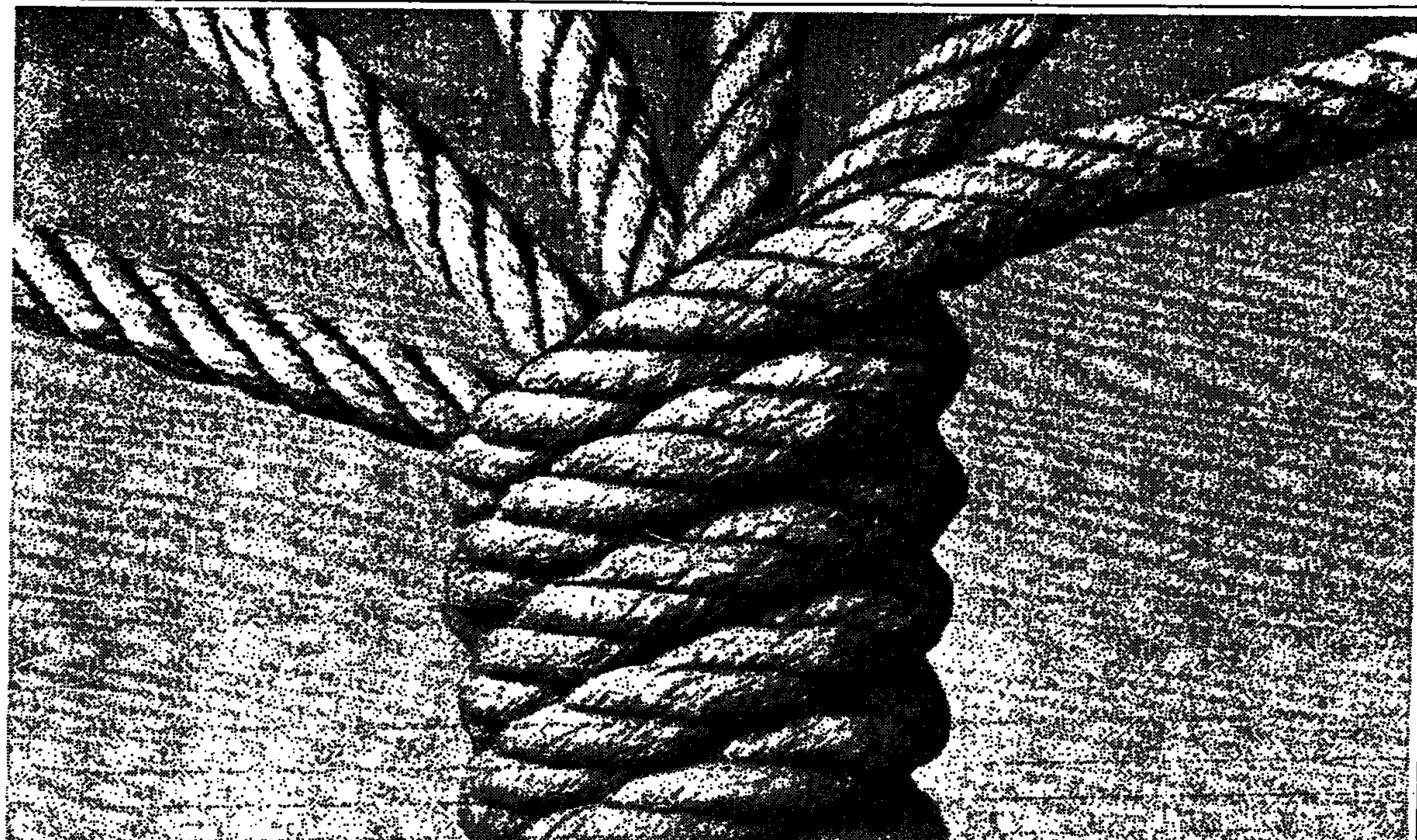
Grovebell Group—Sonesta Investment Co has acquired 98,861 shares and now holds 16m (51.17 per cent).

Crouch Group—Garran Rawlins, now holds 250,000 shares (6.25 per cent).

Fleming Far Eastern Investment Trust—Standard Life Assurance Co has disposed of 50,000 ordinary shares reducing holding to 2.5m (4.95 per cent).

London and Gartmore Investment Trust—Hampshire County Council's Superannuation Fund now owns 1.08m ordinary shares (25.4 per cent).

Dale Electric—I. L. Dale, a director, has disposed of 25,000 ordinary shares.



The European Source for Multimarket Finance

With combined assets of some US $ 360 billion and 39,760 offices, UNICO BANKING GROUP is one of the world's largest and most broadly based financial groups. Besides offering comprehensive universal banking facilities, the Group provides a number of specialized services ranging from leasing and forfaiting to East-West Trade packages and investment counseling.

UNICO BANKING GROUP is a one-stop source for guidance to the specialized capabilities of its banks and subsidiaries.

UNICO members:
ANDELSBANKEN DANEBANK (Denmark)
CREDIT AGRICOLE (France)
DG BANK DEUTSCHE GENOSSENSCHAFTSBANK (Germany)
GENOSSENSCHAFTLICHE ZENTRALBANK (Austria)
OKOBANK OSUUSPANKKIEN KESKUSPANKKI OY (Finland)
RABOBANK NEDERLAND (The Netherlands)

These six banks have established the Luxembourg-based UNICO INVESTMENT FUND and in Vienna the UNICO TRADING COMPANY, specialized in East-West Trade.

For information contact a partner bank or The Standing Secretariat of the
UNICO BANKING GROUP,
N.Z. Voorburgwal 162-170,
NL-1012 SJ Amsterdam,
Telephone (20) 22 22 52,
Telex 15 412.

UNICO BANKING GROUP

THE EDINBURGH INVESTMENT TRUST plc

Preliminary statement for the year ended 31 March, 1983 (Unaudited)

- The net asset value per ordinary share rose from 71.7p, to 109.3p during the year to 31 March, 1983, adjusted for the one for ten scrip issue in November, 1982. This is an increase of 52% and compares with a rise of 26% in the F.T. Actuaries All Share Index.
- The ordinary share price adjusted for the scrip issue rose 42% in the year to 31 March, 1983.
- The Directors have declared a second interim dividend, in lieu of a final, of 1.30p payable 17 June, 1983 to shareholders on the register on 19 May, 1983. This makes a total dividend for the year of 2.18p (1982—1.98p), an increase of 10%. The Directors do not recommend any further dividend for the year.

The geographical analysis of the equity portfolio at 31 March, 1983
North America 51% United Kingdom 38% Far East 7% Europe 2% Other Areas 2%

The audited accounts will be published and sent to shareholders in the first week of June. Additional copies will be available from Mr Colin Peters, Company Secretary,
The Edinburgh Investment Trust plc, Freepost, Edinburgh EH2 0BU. Tel: 031-225 4571.

Ruberoid

ANOTHER RECORD YEAR

Points from the Review of the Chairman, Mr Thomas Kenny

- Pre-tax profit for 1982: £4.16 million............up 24%
- Turnover for 1982: £58.24 million..............up 10%
- Total dividends for year: 5.6p per share..........up 19%
- Acquisition on 29 December 1982 of 79% of ATAB NV in Belgium

Ruberoid plc
1 New Oxford Street, London WC1A 1PE
The building products, specialist contracting, resin, paper and plastics group.
Copies of the Report and Accounts are available from the Secretary.

To all Stockholders in UDS Group plc

Bassishaw or Hanson?

This week you have an important decision to make in respect of your UDS Group holding.

To accept 133½p per share from Hanson Trust or their cash and shares alternative.

Or 130p per share from Bassishaw.

Your decision is crucial

The decision is yours. One that will inevitably affect, for better or worse, the futures of the UDS Group's 19,000 employees and their families. And could, quite literally, change the face of Britain's High Streets.

As Directors, we have obligations to employees as well as members.

"The matters to which the directors of the company are to have regard in the performance of their functions shall include the interests of the company's employees in general as well as the interests of its members."

Companies Act 1980, Section 46

We take these obligations extremely seriously.

All the members of your Board, as well as its financial advisers, regard both offers as fair and reasonable. But our responsibility for the future well-being of your Company and its employees remains.

Questions that must be answered

Both bidders were, therefore, asked for assurances concerning the future of the businesses and their employees. Their responses are summarised in the table below.

Business	BASSISHAW	HANSON
RICHARD SHOPS	Keep and develop. Install new merchandise systems.	No assurances to retain the business.
JOHN COLLIER	Will invest in the business.	No assurances to retain the business.
JOHN COLLIER Hartlepool Factory	Will retain for UK and export production; assurances given to Union.	No assurances as to security of employment.
ALLDERS DEPARTMENT STORES	A good viable business which Bassishaw would wish to see continuing to operate.	No specific assurances.
WILLIAM TIMPSON & JOHN FARMER	To maintain both as separate businesses under their present management.	No specific assurances.
OCEAN TRADING GROUP	Will retain and operate. Will develop its international potential.	No specific assurances.

Whose answer is better?

In our opinion the implication is clear.

Bassishaw has given a firm commitment to our businesses and employees. Hanson Trust has not.

Indeed, we believe Hanson's business philosophy is likely to result in closures, disposals and a serious loss of jobs.

Is this what you want?

Bassishaw has expressed a quite different philosophy. Its stated aim is to restore UDS to its proper position as a leading and highly competitive High Street retailer.

The assurances from Bassishaw are specific and positive. The fact that its members include the pension funds of the National Coal Board, the Post Office and British Rail, strengthens our belief that it will carefully consider employment issues.

Our profits estimates for the year to January 29th 1983 show that the remedial action taken last year to improve profitability and efficiency has already made a positive impact. They confirm our belief that Bassishaw's proposals for the businesses are entirely realistic.

Turnover has risen. Profit before taxation is up by 62%. Earnings per 25p stock unit have increased by 87%. During the first eleven weeks of 1983, sales were approximately 15% ahead of the same period last year.

What we recommend

If your sole interest is in getting the maximum price for your holding, doubtless you will accept the Hanson Trust offer.

But if you consider it more responsible to preserve a major independent force in Britain's High Streets, and with it the prospects of our employees, you may consider a few pence per share an acceptable cost.

Although two of your non-executive Directors recommend you to accept the offer from Hanson Trust in the view of six of your Board's eight Directors, Bassishaw offers you a fair price for your holding and better prospects for your Company and its employees.

Our advice is clear.

Reject the Hanson Trust offer. Accept the Bassishaw offer.

Our financial advisers, Charterhouse Japhet, endorse the legitimacy of this advice and believe stockholders should give it the strongest possible consideration.

Please think very carefully before you make your decision.

UDS

UNITED DRAPERY STORES

UDS Group plc, Marble Arch House, 66/68 Seymour Street, London W1A 2BY.

This advertisement has been placed by Charterhouse Japhet on behalf of UDS Group plc. The issue of this advertisement has been approved by the Board of UDS (with the exception of Sir Robert Clark and Mr. David Jessel). Each of the Directors of UDS (with the exception of Sir Robert Clark and Mr. David Jessel) has taken reasonable care to ensure both that the facts stated and opinions expressed herein are fair and accurate and each accepts responsibility accordingly.

New Issue
April 20, 1983

All these bonds having been sold, this announcement appears as a matter of record only.

KUBOTA, LTD.

OSAKA

DM 100,000,000
7⅞% Bonds due 1990

WESTDEUTSCHE LANDESBANK GIROZENTRALE

THE NIKKO SECURITIES CO., (EUROPE) LTD.

COMMERZBANK Aktiengesellschaft

FUJI INTERNATIONAL FINANCE Limited

SMITH BARNEY, HARRIS UPHAM & CO. Incorporated

SUMITOMO FINANCE INTERNATIONAL

SWISS BANK CORPORATION INTERNATIONAL LIMITED

Abu Dhabi Investment Company
Alahli Bank of Kuwait (K.S.C.)
Algemene Bank Nederland N.V.
Amro International Limited
Bankhaus H. Aufhäuser
Bache Halsey Stuart Shields Incorporated
Banca Commerciale Italiana
Banca del Gottardo
Bank of America International Limited
The Bank of Bermuda Limited
Bankers Trust International Limited
Bank für Gemeinwirtschaft Aktiengesellschaft
Bank Gutzwiller, Kurz, Bungener (Overseas) Limited
Bank Mees & Hope N.V.
Banque Bruxelles Lambert S.A.
Banque Générale du Luxembourg S.A.
Banque Indosuez
Banque Nationale de Paris
Banque Paribas
Banque Populaire Suisse S.A. Luxembourg
Banque de l'Union Européenne
Banque Worms
Baring Brothers & Co., Limited
Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft
Bayerische Landesbank Girozentrale
Bayerische Vereinsbank Aktiengesellschaft
Joh. Berenberg, Gossler & Co.
Berliner Handels- und Frankfurter Bank
Blyth Eastman Paine Webber International Limited
B.S.I. Underwriters Limited
Chase Manhattan Capital Markets Group Chase Manhattan Limited
Chemical Bank International Group
CIBC Limited
Citicorp Capital Markets Group
Compagnie Monégasque de Banque
Copenhagen Handelsbank A/S
County Bank Limited
Creditanstalt-Bankverein
Crédit Commercial de France
Crédit Lyonnais
Credito Italiano
Credit Suisse First Boston Limited
Daiwa Europe Limited
Richard Daus & Co. Bankiers
Delbrück & Co.
Den norske Creditbank
Deutsche Bank Aktiengesellschaft
Deutsche Girozentrale – Deutsche Kommunalbank –
DG Bank Deutsche Genossenschaftsbank
Dominion Securities Ames Limited
Dresdner Bank Aktiengesellschaft
Effectenbank-Warburg Aktiengesellschaft
Enskilda Securities Skandinaviska Enskilda Limited
Euromobiliare S.p.A.
European Arab Bank
European Banking Company Limited
Genossenschaftliche Zentralbank AG Vienna
Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft
Goldman Sachs International Corp.
Hambros Bank Limited
Hamburgische Landesbank – Girozentrale –
Hessische Landesbank – Girozentrale –
Hill Samuel & Co. Limited
The Hongkong Bank Group
E.F. Hutton International Inc.
Industriebank von Japan (Deutschland) Aktiengesellschaft
Istituto Bancario San Paolo di Torino
Kidder, Peabody International Limited
Kleinwort, Benson Limited
Kredietbank N.V.
Kredietbank S.A. Luxembourgeoise
Kuwait Foreign Trading, Contracting & Investment Co. (S.A.K.)
Kuwait International Investment Co. s.a.k.
Landesbank Rheinland-Pfalz – Girozentrale –
Lazard Frères et Cie
Lehman Brothers Kuhn Loeb International, Inc.
Lloyds Bank International Limited
LTCB International Limited
Manufacturers Hanover Limited
McLeod Young Weir International Limited
Merck, Finck & Co.
Merrill Lynch International & Co.
B. Metzler seel. Sohn & Co.
Samuel Montagu & Co. Limited
Morgan Grenfell & Co. Limited
New Japan Securities Europe Limited
The Nikko Securities Co., (Deutschland) GmbH
Nippon Credit International (HK) Ltd.
Nomura International Limited
Norddeutsche Landesbank Girozentrale
Orion Royal Bank Limited
Osakaya International (Europe) Limited
Österreichische Länderbank
Sal. Oppenheim jr. & Cie.
Pierson, Heldring & Pierson N.V.
N.M. Rothschild & Sons Limited
Salomon Brothers International
Sanwa Bank (Underwriters) Limited
J. Henry Schroder Wagg & Co. Limited
Schröder, Münchmeyer, Hengst & Co.
Société Générale
Société Générale de Banque S.A.
Sumitomo Trust International Limited
Svenska Handelsbanken Group
Trinkaus & Burkhardt
Union Bank of Switzerland (Securities) Limited
Vereins- und Westbank Aktiengesellschaft
M. M. Warburg-Brinckmann, Wirtz & Co.
S.G. Warburg & Co. Ltd.
Westfalenbank Aktiengesellschaft
WestLB Asia Limited
Wood Gundy Limited
Yamaichi International (Europe) Limited

Tricentrol

The British Oil Company

with

A WIDER SPREAD OF OPPORTUNITY

★ UK NORTH SEA — income expected from the Buchan Field this year.
★ UK ONSHORE — 25% share in a gas discovery in south east England.
★ WYTCH FARM — 35% interest and leading partner of Dorset Bidding Group.
★ US ONSHORE — attractive prospects concentrated in Texas, Louisiana and Colorado.
★ CALIFORNIA OFFSHORE — active exploration programme continues.
★ GULF OF MEXICO OFFSHORE — exploration and production interests in 15 blocks.
★ CHINA OFFSHORE — expect to obtain significant prime acreage.
★ SUMATRA ONSHORE — multi-well exploration programme now drilling.
★ SICILY OFFSHORE — more drilling anticipated in this highly prospective area.
★ NEW ZEALAND OFFSHORE — drilling this year.

Vita

Group Results

YEAR ENDED 31 DECEMBER 1982

- Global turnover, including associated companies, exceeded £200M.
- UK and European profit benefited from increased consumer demand in second half.
- Another year of improvement in international profit.

£000	1982	1981
Turnover	97,799	91,869
Trading profit	5,063	5,648
Associated companies	3,447	3,385
Interest	(1,126)	(1,062)
Profit before tax:	7,384	7,971
UK and Europe	1,562	2,428
International	5,822	5,543
Earnings per share	14.0p	16.5p
Dividend per share	5.4p	5.4p
Assets per share	152p	146p

Copies of the Report and Accounts can be obtained from the Company Secretary, BRITISH VITA PLC, MIDDLETON, MANCHESTER M24 2DB.

INTERNATIONAL LEADERS IN FOAM, FIBRE, FABRIC AND RUBBER PRODUCTS

UK COMPANY NEWS

Strikes Restaurants placing at 47p

Strikes Restaurants, who serve hamburgers, steaks and salads from 23 outlets in Central London, is coming to the Unlisted Securities Market.

Henry Ansbacher, via Vickers da Costa, has placed 600,000 10p shares, 10 per cent of Strikes' issued equity capital, at 47p per share, giving the company a market value of £2.82m. Dealings should begin on *Monday April 25.*

Comfort Hotels, which owns Strikes and will keep 90 per cent, says a USM placing will enhance the independence and status of Strikes and give it direct access to the capital markets, to finance future expansion.

Comfort will not necessarily keep Strikes as a subsidiary, if future acquisitions should reduce Comfort's proportionate *share*holding.

Strikes envisage extending the chain in London and building up a network of franchised restaurants in the provinces.

Pre-tax profits for 1982 were *£648,000 on a turnover of £5.03m.* Total dividend of 1.35p per share would have been paid which gives a dividend yield of 4.1 per cent at the placing price of 47p and a fully taxed p/e ratio of 9.83.

The dividend is covered 3.45 times by earnings and the directors say their policy will be to retain a significant proportion of earnings to finance further growth in future years.

● comment

Strikes have timed their arrival well. The expected return of tourists to London this year should help their profits despite competition from fast food outlets. Strikes, founded by the Kaye brothers in 1967 has lagged behind their later creation, Garfunkels. Strikes placing price of 47p is 9.85 the fully taxed earnings of 1982. Garfunkels stood yesterday on a fully-taxed p/e (after dilution) of 16.6. Strikes would have to take off at 79p to match it.

Overseas side cuts Boustead to £452,000

REFLECTING LOSSES incurred by the Australian subsidiary and the engineering activity in Singapore, Boustead, reported a sharp downturn in pre-tax profits *from* £1.42m to £452,000 for 1982. However, the directors expect an improvement in 1983.

The net final dividend has been held at 0.75p which holds the total at 1.25p. After an abnormally high tax charge, because overseas losses could not be offset against other overseas profits there was a loss of 0.37p per 10p share against previous earnings of 1.32p.

Sales moved ahead from £44.45m to £46.5m.

Against a background of continuing economic uncertainty the directors say that the company's new businesses were showing encouraging progress. Taken together with corrective measures introduced elsewhere in the group they now feel confident of achieving an improvement in *profits* in 1983.

The subsidiary Bousteadco Singapore suffered pre-tax losses of S$650,000 (equivalent to £200,000) compared with profits of S$4.7m (£1.45m for the previous year). Turnover was almost *unchanged at S$133m. After a tax* provision of S$2.5m the net loss amounted to S$3m but the group reported an extraordinary gain of S$7.2m.

Harrison Cowley 7% higher

A 7 per cent increase from £520,000 to £558,000 in pre-tax profits is reported by Harrison Cowley (Holdings) for 1982. Mr David Harrison, chairman of this advertising agency, points out that first half pre-tax profits increased by 4 per cent, while for the second half, they rose by 11 per cent over the corresponding period of 1981.

The year-end increase is reflected in the final dividend which is raised from 2.45p to 2.7p net for an increased total of 4.2p against 3.85p.

Mr Harrison comments: "Hard times are still with us, though there are signs of an easing in the economy. So far as the company is concerned, we have *emerged from* the last two years leaner and very healthy."

He adds that it will be 1984 before the full beneficial effects of new business work through into the results. He hopes to see some improvement in 1983, with a further advance in 1984.

Group sales for the year were down from £18.01m to £17.64m There was a tax charge of *£303,000 against £276,000, leaving* attributable profits ahead at £255,000 compared with £226,000, which last time included extraordinary debits of £18,000. Dividends absorb £211,324 (£193,824).

Stated earnings per 5p share *rose from 4.9p to 5.1p.*

Yearlings up at 10⅛%

The interest rate for this week's issue of local authority bonds is 10⅛ per cent, up one-*eighth of a percentage point from* last week and compares with 13⅞ per cent a year ago. The bonds are issued at par and are redeemable on April 25 1984.

A full list of issues will be published in tomorrow's edition.

Killinghall Tin

The listing of Killinghall Tin (Malaysia) has been cancelled at the company's request. Dealings will be permitted under Rule 163 4(a).

USM placing puts £3.2m valuation on Microlease

Microlease, a four-year-old business principally involved in the *provision of* electronic instruments and computers on a short-term basis, is coming to the Unlisted Securities Market, via a placing.

Simon and Coates placed 820,000 shares at 94p each, *capitalising the whole company* at about £3.2m. The placing represents about 24 per cent of the issued equity, and is worth *£770,800* at the placing price. About half of the placing represents the sale of shares by the company, but 400,000 shares in the placing represents new money raised for the business.

Microlease has a strong growth record. In its first year of operations to February 1980 it made profits of £28,000 on turnover of £189,000. In the year to February 1983 profits were £260,000 on turnover of almost £1.5m.

Following the placing, the Co-operative Insurance Society, which provided crucial start-up finance, will hold 22 per cent of the equity. Mr David Rennie, chairman, and his family, will hold a 47 per cent stake.

The company provides electronic equipment to industrial and commercial companies on a short-term rental basis; the period varying from one week to one year, with the average period currently 10-12 weeks.

In the last three years Microlease extended its range to include computers and related products. It has more than 800 active accounts, and no client exceeds 5 per cent of turnover. *The company's customers include* British Telecom, Cable and Wireless, GEC, Racal, Thorn EMI and others.

Mr Rennie introduced the concept of short-term rental of electronic test equipment in the UK in 1962. In 1967 he founded Livingstone Hire, which became the market leader in the field.

Livingstone Hire was later sold to Energy Services and Electronics, and Mr Rennie became managing director of the Energy Services Group, but in 1979 says Mr Rennie: "There was a boardroom disagreement, so we parted company and I started up Micro*lease with our marketing director* Robert Mundy."

Mr Rennie added: "We intend to become the market leader, and I've put Livingstone on notice that we will be."

The price earnings ratio on *last year's profits,* and *on* the actual tax charge of 11 per cent, is 13.8, but on a notional 52 per cent tax charge that rating rises to 25.4. A net dividend of 2p per share is forecast for the current year, which would yield *3 per cent at the placing price.*

Although Microlease is making no profits forecast the prospectus states that "orders to date are in excess of those for the equivalent period last year, both in number and value."

● comment

Microlease appears to have the leading man (in an admittedly specialised sector) for its managing director, and the company has just about as impressive a list of clients as can be imagined. The growth record is most persuasive, but in common with many USM companies the annual profits percentage *increase has* become less dramatic with each year that passes. Last year's increase was "only" about 55 per cent, and the critical question is, at what growth rate the company can maintain a steady grip. Part of an answer would have been a profits forecast, but despite a very forward looking rating Microlease evidently could not wait until that was feasible. The historic fully taxed PE of 25.4 may seem reliant on the current *state of the new issue market,* but it should be noted, that as a leasing company Microlease is not going to be paying mainstream corporation tax for the foreseeable future. But also, as a leasing company, in a very high tech area, *Microlease* must display spot-on judgment about product obsolescence.

Spring Ram capitalised at £11m

The Spring Ram Corporation, Yorkshire-based manufacturer of acrylic baths, bathroom products and self-assembly kitchen units, *is coming to the Unlisted Securi*ties Market next week by way of a placing of 21.5 per cent of its existing equity.

At the placing price of 105p per share, which is 22.3 times the company's fully-taxed 1982 earnings, Spring Ram is capitalised at £11m, making it one of the largest USM companies. Panmure Gordon is acting as broker to the issue

The company was set up in 1979 and began trading in January 1980. In that year it achieved pre-tax profits of £164,000 on a turnover of £1.2m. *In 1981, profits grew to £445,000* on a turnover of £3.8m and in *1982* profits reached £1m on a turnover of £7.6m.

Over the last three years, the *company* has gained a 15 per cent share of the UK acrylic bath market.

The company balance sheet at the end of December 1982 shows that shareholders' funds amounted to £2.1m while loans, mainly medium-term and secured, totalled £475,000. The return on the average capital employed in 1982 was 67 per cent.

The directors make no profits forecast for the current year. But they promise a minimum dividend of 3p net per share, giving a gross prospective yield of 4.1 per cent on the placing *price.*

● comment

The co-founder of the Spring Ram spent much of their first year together head-hunting top management in the home improvements industry. And unless its pace of growth is maintained *over* the next few years, the group is likely to be torn apart by the individual ambitions of its eight-strong management team. The strength of the company lies not so much in its products, which are sound by *hardly original, as in its market*ing structure. In the sleepy bathroom and home improvement industry, where the householder is reached passively through builders' merchant and perhaps plumber, Spring Ram has decided *to stir things up.*

BESTOBELL

Component Technologies Worldwide

	1982 £000	1981 £000
Sales	130,311	122,355
Trading profit	10,330	9,753
Profit before tax	8,712	8,469
Dividend	13.5p	[illegible]

- Results demonstrate both the financial strength and the commercial soundness of the business
- Trading margin maintained despite Aviation downturn
- Exports now 27% of UK sales

A. B. Marshall, Chairman

Copies of the Annual Report and Accounts are available from The Secretary, Bestobell plc, Bestobell House, 16 Bath Road, Slough SL1 3SS

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange

THE SPRING RAM CORPORATION PLC

(Registered in England No. 1398977)

SHARE CAPITAL

Authorised £		Issued and fully paid £
1,500,000	Ordinary shares of 10p each	1,050,000

PLACING BY
COUNTY BANK LIMITED
of
2,254,400 Ordinary shares of 10p each at 105p per share

Application has been made to the Council of The Stock Exchange for the grant of permission to deal in the whole of the issued share capital of 10,500,000 Ordinary shares of 10p each of the Company *in the Unlisted Securities Market. A proportion of the shares being placed* is available to the public through the market. It is emphasised that no application has been made for these securities to be admitted to listing.

Particulars of the Company, a leading supplier to the home improvement market of bathroom and kitchen products, are available in the Extel Unlisted Securities Market Service. Copies of such particulars may be obtained during usual business hours on any weekday (Saturdays and Bank Holidays excepted) up to and including 4th May, 1983 from:

County Bank Limited,
11 Old Broad Street,
London EC2N 1BB.

Panmure Gordon & Co.,
9 Moorfields Highwalk,
London EC2Y 9DS.

20th April, 1983

MINING NEWS

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Atlanta, Baltimore and Chicago Regional Investment Trust, Dubilier, Wade Potteries.

Finals: Barrow Hepburn, Biddle, A. & C. Black, British Syphon Industries, Brixton Estate, Chesterfield Properties, Danish Bacon, Fogarty, Haden, Hawker Siddeley, Thomas Marshall (Loxley), Minet, Parambe, RMC, Securities Trust of Scotland, W. H. Smith, Steel Brothers, Sun Life Assurance, Trustees, United Parcels, Wadkin, York Trailer.

FUTURE DATES

Interims:

Murray Clydesdale Inv. Trust	May 6

Finals:

Caird (A.)	April 25
Clarke, Nickolls & Coombs	April 21
Davies and Newman	April 28
Laing (John)	April 28
London United Investments	May 4
Marshall's Universal	May 6
Milletts Leisure Shops	May 4
Office and Electrical Machines	April 28
Style	April 22
Turriff Corporation	April 26
Wire and Plastic Products	April 26

Randfontein's tax rises in the March quarter

BY KENNETH MARSTON, MINING EDITOR

THE latest reports for the March quarter from the South African gold producers make a mixed showing. In the Johannesburg Consolidated group Randfontein announces a fall in the quarterly net profit to R45.3m (£28.6m) from R57.9m in the previous three months.

Operating profits were higher thanks to a slight increase in gold output together with a rise in the gold price received to R16,482 per kilogramme ($475 per ounce) from R15,476 in the December quarter. But the tax charge has trebled as a result of a temporary fall in the tax-offsetting capital expenditure.

Gold production at Western Areas has declined in line with a fall in grade to 4.8 grammes from 5 grammes while working costs have risen as a result of increased underground production and development work together with the higher electricity tariffs which affect all the mines.

A provision has also been made for a return to tax payments and the net result is a fall in earnings to R12.4m from R20.5m in the previous three months.

The average price received by Western Areas for gold sales was only R14,372 per kilogramme ($414) as a result of the company's policy of selling forward the bulk of its production as a hedge against a fall in prices.

	March qtr R000	Dec qtr R000	Sept qtr R000
Randfontein	45,351	57,906	28,724
Western Areas	12,382	20,537*	8,720

*Re-stated

In the Anglovaal group, Hartebeest has shown a useful increase in profits as a result of a sharp rise in uranium sales and an increased mill throughput. Loraine's profits have risen and the mine has also received state assistance representing fine adjustments in respect of the previous financial year to June 30.

Eastern Transvaal Consolidated's pre-tax profits have fallen in line with reduced production and higher costs. But net profits come out higher as a result of a tax credit which stems from the lower working profit and the mine's sharply increased capital expenditure, having embarked on a two-year programme costing R30m.

The antimony-gold producer Consolidated Murchison has seen quarterly profits fall as a result of the timing of shipments of concentrates which can vary from quarter to quarter. This has also happened in the case of Prieska Copper and both should thus make a better profit showing in the current quarter.

Latest quarterly net profits of the mines are compared in the following table.

	March qtr R000	Dec qtr R000	Sept qtr R000
Hartebeestfontein	38,206	33,820	33,082
Loraine	*5,134	4,034	†916
Cnsd. Murchison	994	1,737	1,559
Prieska	1,602	3,218	2,692
East Transvaal	5,550	3,927	2,487
Village Main	178	132	155

*After receipt of State assistance. †After repayment of State assistance.

RioZim hopes to return to profits

A RETURN to profitability this year is forecast for Rio Tinto Zimbabwe ("RioZim") with the proviso that the price of gold holds above $425 per ounce, reports Tony Hawkins from Harare.

Mr Sagonda, the chairman, says in his annual review that the group will have to exercise restraint this year and next in order to reduce its high level of debt—borrowings almost doubled to Z$38.3m (£30.4m) last year—but he is confident that RioZim's financial position will improve in the second half of this year.

Following the closure of the Empress nickel mine at the end of last year Rio-Tinto Zinc in Zimbabwe is largely dependent on gold and, to a much lesser extent, emeralds along with its industrial division. Gold output is expected to increase by 30 per cent this year, while emerald production at Sandawana should be maintained.

However, lower earnings are being forecast for the industrial division which has been hard hit by the country's second successive drought and the recession in the mining sector which it supplies.

Last year RioZim made a pretax loss of Z$10.9m and this has been increased by Z$966,000 since the preliminary results were published because uncertainty has arisen over the financial position of a major customer. There was a profit of Z$1.7m in 1981.

Most of last year's loss was incurred by Empress. Thus its closure coupled with higher gold prices and the projected rise in gold production should swing the group back into profit.

Meanwhile, the outcome is awaited of negotiations to extend the contract, which expires next month, for the treatment at the Empress refinery of nickel matte from the BCL operation in Botswana. BCL has long term commitments which could jeopardise the contract.

Kathleen's two-year stock of uranium

ALTHOUGH the Rio Tinto-Zinc group's Mary Kathleen uranium mine in Queensland has come to the end of its days the company has sufficient product stockpiled to meet its sales contracts for 1983 and 1984.

Sales of uranium oxide this year are expected to fall but earnings should be maintained thanks to lower costs and income from money market investments. At the Melbourne meeting the chairman, Mr Jack Liebelt added that virtually all the mine's plant and equipment was recently sold at auction for some A$7m (£3.9m).

He pointed out that the declaration of a dividend of 15 cents (8.4p) for 1982 was a first step in the return of shareholders' funds and he expected the process to continue by way of both dividends and capital returns. It is planned to make a partial return of capital later this year.

The timing of the final wind-up of the company will depend on completion of the mine area rehabilitation programme and monitoring of the results for a period sufficient to satisfy the Queensland Government that the goals have been met.

Tace rise seen

Mr J. H. McKenzie, the chairman of Tace, told the AGM that group profits for the first half of the current year were expected to be "usefully in excess" of those for the corresponding period last year, while those for the year as a whole were expected to show a "material increase."

He revealed that the improvements had been accentuated by the outstanding success of the group's major high technology products, particularly in export markets.

Websters rises and optimistic about outlook

Websters Group, printer, publisher and wholesale book distributor, more than made up the first half shortfall of £92,000 in the second six months of 1982 to finish the year with profits of £1.46m at the pre-tax level, an increase of £136,000 over 1981's result.

Mr Peter Lane, the chairman, says the group is emerging from a period of change and a background of recession and that the future is viewed with optimism.

The dividend is being stepped up from 2.5p to 2.7p per 5p share by a final of 1.9p—earnings per share came through at 7.88p (6.14p).

Turnover advanced from £37.44m to £40.31m and operating profits [illegible] £2.79m (£1.61m) before interest charges of £327,000 (£280,000). Tax took £533,000 (£550,000) and extraordinary items this time £73,000.

Explaining his optimism Mr Lane says that over the years Websters has invested substantial resources in adapting to rapidly changing market conditions and in developing new growth opportunities.

He comments that future prospects arising from these developments appear to be "very encouraging."

Pre-tax profits on a CCA basis amounted to £1.07m (£886,000) and earnings per share at 4.54p (2.82p).

Lloyds Bank

The conversion rights of the Lloyds Bank 7½ per cent convertible subordinated unsecured loan stock 1984 expire on April 30 1983. The bank has decided to exercise its option to convert all the stock for which notices to convert are not received by that date and will despatch notices of compulsory conversion early in May.

The bank points out that while stockholders have the right to require repayment in cash at par, currently they would enjoy a higher value by accepting shares.

New Throgmorton

The scheme of arrangement in connection with the proposals to effect the reconstruction of New Throgmorton Trust was sanctioned by the High Court of Justice on April 18 1983. It is expected that the proposals will become effective on April 21.

Scottish Life
Chairman's Statement
Extracts for Year Ending December 1982

NEW BUSINESS

£6.2m of new life annual premiums, an increase of 25% over the total for 1981.

New annual premiums for group schemes were up by 10%, for individual schemes by 7% and for self-employed arrangements by 91%.

In group pensions business, single premiums increased by 76%, due largely to our 'Buy-out' policy which is designed to provide the preserved benefits for an employee who leaves his employer's service.

VALUATION REGULATIONS

It is to be regretted that the well-tried British practice of control by the exercise of the actuary's professional judgement has been replaced by inflexible rules about solvency margins.

Undue inflexibility could restrict unreasonably the scope for [illegible] bonuses.

COMMISSION

In an effort to avoid the leap-frogging which would come from a free-for-all commission war the Company has joined with a group of like-minded offices intent on maintaining an orderly market for business sold through independent intermediaries.

INVESTMENT

The net new money available for investment during 1982 amounted to nearly £47m. About a third of this was invested in British government fixed interest stock and the bulk of the ordinary share investment went overseas.

Our overseas investments however amount to rather less than 14% of the total.

PUBLIC AFFAIRS

The Gower report on the protection of investors commented on the need to establish standards of competence for those engaged in selling life assurance. I confirm that we support the efforts which the industry is making in strengthening the code of practice and in other ways. The company's twin objectives are to ensure that our inspectors are fully trained and that our agents are capable of giving sound and informed advice to intending policyholders.

Copies of the Annual Report are available from Head Office.

Scottish Life
The Scottish Life Assurance Company
19 St Andrew Square
Edinburgh EH2 1YE
Telephone: 031-225 2211

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

Mnemos, Limited
(Incorporated in the Islands of Bermuda)

Authorised US$	Share capital	Issued and to be issued US$
5,175,251.50	ordinary shares of 10 cents each	4,467,729.00
324,748.50	non-voting "B" shares of 10 cents each	167,245.50
5,500,000.00		4,634,974.50

Issue of
15,449,915 ordinary shares of 10 cents each at 65p per share

12,449,915 of the ordinary shares now being issued are being offered by way of rights to the shareholders of Combined Technologies Corporation plc, the parent company of Mnemos, Limited and 3,000,000 of the ordinary shares are being subscribed by certain institutions. Application has been made for grant of permission to deal on the Unlisted Securities Market of The Stock Exchange in all the above-mentioned ordinary shares. It is emphasised that no application has been made for these securities to be admitted to listing. Particulars of Mnemos, Limited are available in the Extel Unlisted Securities Market Service and copies of such particulars may be obtained during usual business hours on any weekday (Saturdays and public holidays excepted) up to and including 16th May, 1983 from:

Hambros Bank Limited, 41 Bishopsgate, London EC2P 2AA

de Zoete & Bevan, 25 Finsbury Circus, London EC2M 7EE

APPOINTMENTS

Changes at APV Holdings

APV HOLDINGS has appointed Sir Russel Madigan, Mr A. MacDougall and Mr F. W. Smith to its board. Sir Russel Madigan joins the board as a non-executive director. Sir Russel is deputy chairman of CRA and a director of Rio Tinto-Zinc Corp. He is also assuming the chairmanship of APV Bell Bryant, a public company based in Melbourne, in which APV have a 60 per cent shareholding. Mr MacDougall and Mr Smith join the board as executive directors. Mr MacDougall joined APV in 1978, when Hall Thermotank became part of the group, and is now chief executive of the Hall Thermotank division. Mr Smith joined the group in 1976 as managing director of APV Bell Bryant and is now also chief executive of the Pacific Basin division.

★

Mr Mark Ellis has been appointed joint managing director of POLLY PECK (HOLDINGS). He is a barrister, and was formerly with Arbuthnot Latham Bank.

★

Dr H. Giles Nicklin has been appointed director of sales and marketing for DOW CHEMICAL CO, Hounslow, from May 15. He has been an operations manager in the executive department of the company in Midland, Michigan, U.S., since July 1981. He succeeds Mr E. A. Wilson who has been appointed commercial director for Dow Chemical Mid East/Africa.

★

SECURIPLAN, a Chiswell Wire Co subsidiary, has appointed Mr David Jehu as director of operations and Mr C. Brian Williams as director of sales, both from May 3.

★

Mr Peter Ballard has been appointed company secretary of HENRY ANSBACHER HOLDINGS.

★

Mr Ian Williamson has been appointed financial director of LINK PAPER, UK paper merchanting arm of the Swedish group Mo & Domsjö A.B. He joined in March from the Imperial Group where he was with the group financial planning department and was responsible particularly for the U.S. subsidiary Howard Johnson, and the tobacco division.

★

Mr T. F. Graham has ceased to be a member of WILLIAMS DE BROE HILL CHAPLIN & CO, stockbrokers. Mr A. G. Parfitt, Mr A. Darke, Mr M. T. Harris and Mr G. J. McNeil have been appointed members.

★

Mr Timothy Dowlen has been appointed to the board of JOHN SCOTT & PARTNERS in its commercial insurance broking division.

★

VISNEWS has appointed Mr Kevin Hamilton as managing editor from June 1. He succeeds Mr Tom Hudson, now head of news.

★

Sir Alex Smith has been appointed a non-executive director of CONNAUGHT EXECUTIVE MANAGEMENT SERVICES. He was until recently the first director of Manchester Polytechnic. He is a director of the Handley Walter company, and is also involved in the setting up of a several new businesses.

★

Mr P. J. Howell, managing director of the Mercantile and General Reinsurance Co, has been appointed vice-chairman of CREDIT AND GUARANTEE INSURANCE.

★

ALLIED-LYONS has appointed Mr J. B. Silverman as a director. Mr Silverman is an assistant managing director of J. Lyons and Co, the food division of the group, and is responsible for the division's cake, biscuit and confectionery businesses. He has been a director of J. Lyons and Co since 1971.

★

Following his take-over bid Mr Harold Tillman htas been appointed vice chairman of SUMRIE CLOTHES and Mr H. J. Sorsky a non-executive director.

★

Mr Gordon Fearnley has been appointed managing director of POLYCELL PRODUCTS. He joins from Crown Paints where he was sales and marketing director. Mr Graham Rogers, sales director, has taken on additional board responsibility for marketing and becomes sales and marketing director.

★

Mr Michael A. Fraser will become managing director of the consumer products division of THE SINGER COMPANY (UK) on May 1. Mr Fraser joins from the Braun organisation where he has held the position of UK sales director for the past three years.

★

At the annual meeting Mr Shinji Kusonoki was appointed to the board of BRIDGESTONE TIRE CO. Concurrent with his responsibilities as director, Mr Kusonoki will continue to supervise the international tyre sales division as general manager.

★

Mr Yorgi Borboroglu has been appointed director of operations of THE LUMMUS COMPANY based in Northampton. Mr Borboroglu succeeds Mr J. G. Earl who has left the company to take up a senior appointment outside the industry. Mr Borboroglu was manager of operations and projects in Lummus Canada Inc's Calgary office.

★

Mr David Efrima has been appointed director and general manager of BANK LEUMI UK, British subsidiary of the Bank Leumi group, in succession to Mr J. Wegrzyn. Mr Efrima has been with the group since 1951 and since 1974 has been manager of the Jerusalem main branch.

★

Mr Charles Winter, managing director of the Royal Bank of Scotland has jointed the board of LLOYDS AND SCOTTISH as a non-executive director. He takes the place of Sir Michael Herries, chairman of the Royal Bank of Scotland, who has served as a non-executive director for the past six years.

★

Mr Dennis Wall, managing director of Leyland Paint & Wallpaper, has been elected president of the PAINTMAKERS ASSOCIATION OF GREAT BRITAIN for 1983-84.

Anglovaal Group

Mining companies' reports – Quarter ended 31 March 1983

All companies mentioned are incorporated in the Republic of South Africa.

All financial figures for the quarter and progressive figures for the current year to date, except those of Consolidated Murchison Limited for the quarter and financial year ended 31 December 1982, are unaudited.

Rate of exchange on 31 March 1983, R1.00 = £0,62 £1,00 = R1,62.

Development results given are the actual sampling results. No allowance has been made for adjustments necessary in the valuation of the corresponding ore reserves.

Shareholders requiring copies of these reports regularly each quarter, should write to the Secretaries, Anglo-Transvaal Trustees Limited, 295 Regent Street, London W1R 8ST.

Consolidated Murchison Ltd

Issued capital: 4 160 000 shares of 10 cents each

	Quarter ended 31 March 1983	Quarter ended 31 Dec. 1982	Financial year ended 31 Dec. 1982
Financial results	R000	R000	R000
Sales of antimony concentrates less realisation charges	3 551	3 867	11 896
Gold sales	1 639	2 077	6 710
Sundry mining income	10	14	100
	5 200	5 958	18 706
Working costs	4 093	4 091	17 766
Working profit	1 107	1 867	940
Non-mining income	75	188	703
	1 182	2 055	1 643
Prospecting expenditure, interest paid and stores adjustment	91	337	486
Profit before taxation	1 091	1 718	1 157
Taxation	97	(19)	(19)
Profit after taxation	994	1 737	1 176
Capital expenditure	161	(42)	1 207

Financial
The revenue from the sale of antimony concentrates brought into account each quarter is based on actual shipments made, which can vary considerably from quarter to quarter.

Capital expenditure
Outstanding commitments at 31 March 1983 are estimated at R71 000 (31 December 1982: R97 000).

Eastern Transvaal Consolidated Mines, Ltd

Issued capital: 4 316 678 shares of 50 cents each.

	Quarter ended 31 March 1983	Quarter ended 31 Dec. 1982	Nine months ended 31 March 1983
Operating results			
Gold			
Ore milled ... t	69 400	74 600	218 000
Gold recovered ... kg	562,14	635,62	1 808,26
Yield ... g/t	8,1	8,5	8,3
Revenue ... R/t milled	130,56	132,13	128,37
Costs ... R/t milled	63,67	55,39	58,39
Profit ... R/t milled	66,89	76,74	69,98
Revenue ... R000	9 061	9 857	27 984
Costs ... R000	4 419	4 132	12 730
Profit ... R000	4 642	5 725	15 254
Financial results	R000	R000	R000
Working profit – gold mining	4 642	5 725	15 254
Non-mining income	460	84	813
	5 102	5 809	16 067
Prospecting expenditure	827	441	1 653
	4 275	5 368	14 414
Taxation	(1 275)	1 441	2 450
Profit after taxation	5 550	3 927	11 964
Capital expenditure	4 223	3 073	8 200
Dividends	—	1 727	1 727
	4 223	4 800	9 927
Development			
Advanced ... m	1 808	2 098	5 990
Sampling results:			
Sampled ... m	1 232	1 168	3 818
Channel width ... cm	185	192	198
Channel value ... g/t	8,32	11,7	10,51
... cm.g/t	1 538	2 242	2 084

Dividend
Interim dividend No. 65 of 40 cents per share, declared in December 1982, was paid in January 1983.

Capital expenditure
Outstanding commitments at 31 March 1983 are estimated at R3 618 000 (31 December 1982: R3 808 000).

Hartebeestfontein Gold Mining Co Ltd

Issued capital: 11 200 000 shares of R1 each

	Quarter ended 31 March 1983	Quarter ended 31 Dec. 1982	Nine months ended 31 March 1983
Operating results			
Gold			
Ore milled ... t	766 000	748 000	2 252 000
Gold recovered ... kg	7 506,80	7 524,72	22 413,56
Yield ... g/t	9,8	10,1	10,0
Revenue ... R/t milled	156,87	154,53	152,50
Costs ... R/t milled	66,73	64,07	65,21
Profit ... R/t milled	90,14	90,46	87,29
Revenue ... R000	120 164	115 585	343 423
Costs ... R000	51 116	47 920	146 851
Profit ... R000	69 048	67 665	196 572
Uranium oxide			
Pulp treated ... t	766 000	748 000	2 252 000
Oxide produced ... kg	106 318	113 862	322 684
Yield ... kg/t	0,14	0,15	0,14
Financial results	R000	R000	R000
Working profit – gold mining	69 048	67 665	196 572
Profit from sales of uranium oxide, pyrite and sulphuric acid	7 343	2 794	13 055
Non-mining income	2 820	3 834	11 279
	79 211	74 293	220 906
Interest paid	366	345	1 046
Net royalty payments	2 322	2 826	5 671
Profit before taxation and State's share of profit	76 523	71 122	214 189
Taxation and State's share of profit	38 317	37 302	109 081
Profit after taxation and State's share of profit	38 206	33 820	105 108
Capital expenditure	15 600	11 895	41 297
Loan repayments	796	1 553	2 935
Dividends	—	33 600	33 600
	16 396	47 048	77 832
Development			
Advanced ... m	11 456	12 037	35 691
Sampling results on Vaal Reef:			
Sampled ... m	1 726	1 758	5 752
Channel width ... cm	59	62	59
Channel value – gold ... g/t	21,9	18,9	21,2
... cm.g/t	1 294	1 171	1 241
– uranium oxide ... kg/t	0,35	0,38	0,37
... cm.kg/t	20,97	23,59	21,78

Dividend
Interim dividend No. 54 of 300 cents per share, declared in December 1982, was paid in January 1983.

Capital expenditure
Outstanding commitments at 31 March 1983 are estimated at R39 722 000 (31 December 1982: R49 830 000).

Prieska Copper Mines (Pty) Ltd

Issued capital: 54 000 000 shares of 50 cents each

	Quarter ended 31 March 1983	Quarter ended 31 Dec. 1982	Nine months ended 31 March 1983
Operating results			
Ore milled ... t	715 000	733 000	2 167 000
Concentrates produced			
Copper ... t	21 635	22 357	69 761
Zinc ... t	39 183	39 485	113 483
Concentrates despatched			
Copper ... t	10 853	31 535	62 239
Zinc ... t	24 618	37 491	96 950
Financial results	R000	R000	R000
Operating profit	1 318	2 956	6 777
Non-mining income	446	398	1 164
	1 764	3 354	7 941
Interest paid	162	136	429
Net profit	1 602	3 218	7 512
Capital expenditure	(38)	226	591
Development			
Advanced ... m	4 158	4 592	14 642

Financial
Despatches, which vary from quarter to quarter, are brought to account at their estimated receivable value. Operating profit takes into account adjustments following final price determinations on despatches made during previous quarters.

Prieska Copper Mines (Proprietary) Limited (continued)

Taxation
No taxation was payable as the Company has an assessed loss.

Capital expenditure
Outstanding commitments at 31 March 1983 are estimated at R21 000 (31 December 1982: Nil).

Loraine Gold Mines, Ltd

Issued capital: 16 366 986 shares of R1 each

	Quarter ended 31 March 1983	Quarter ended 31 Dec. 1982	Six months ended 31 March 1983
Operating results			
Gold			
Ore milled ... t	403 000	401 000	804 000
Gold recovered ... kg	2 077,43	2 005,05	4 082,48
Yield ... g/t	5,2	5,0	5,1
Revenue ... R/t milled	78,87	74,97	76,93
Costs ... R/t milled	69,09	67,22	68,16
Profit ... R/t milled	9,78	7,75	8,77
Revenue ... R000	31 785	30 065	61 850
Costs ... R000	27 842	26 955	54 797
Profit ... R000	3 943	3 110	7 053
Financial results	R000	R000	R000
Working profit – gold mining	3 943	3 110	7 053
Profit from sales of pyrite and treatment of stockpiled calcines	645	341	986
Non-mining income	375	1 188	1 563
State assistance	792	—	792
	5 755	4 639	10 394
Interest paid	611	605	1 216
Tributing royalty payable	10	—	10
Profit	5 134	4 034	9 168
Capital expenditure	4 899	4 490	9 389
Loans received and adjusted for currency fluctuations	8	375	383
	4 891	4 115	9 006
Loan repayments	51	235	286
	4 942	4 350	9 292
Development			
Advanced ... m	8 653	8 484	17 137
Sampling results:			
"B" and "A" reefs			
Sampled ... m	344	102	446
Channel width ... cm	67	39	60
Channel value ... g/t	16,3	63,6	23,2
... cm.g/t	1 084	2 454	1 397
Basal reef			
Sampled ... m	440	535	975
Channel width ... cm	8	9	8
Channel value ... g/t	134,4	64,5	95,5
... cm.g/t	1 102	555	802
Elsburg reefs			
Sampled ... m	906	650	1 556
Channel width ... cm	80	92	85
Channel value ... g/t	9,0	10,7	9,8
... cm.g/t	723	985	833
Total – all reefs			
Sampled ... m	1 690	1 287	2 977
Channel width ... cm	59	53	56
Channel value ... g/t	15,3	17,4	16,1
... cm.g/t	895	923	907

Financial
In terms of the Company's articles of association, the directors' borrowing powers are limited to R35 000 000. At 31 March 1983 borrowings totalled R17 241 000 (1982: R11 427 000) of which long-term borrowings amounted to R15 167 000 (1982: R11 427 000) and short-term to R2 074 000 (1982: Nil).

Taxation
No taxation or State's share of profit was payable as the Company has assessed losses.

Capital expenditure
Outstanding commitments at 31 March 1983 are estimated at R8 458 000 (31 December 1982: R7 472 000).

Shaft sinking
No. 1C sub-vertical shaft was sunk 20,2 metres to a depth of 493,5 metres below 52 level and concrete-lined to a depth of 485,5 metres.

State assistance
State assistance as shown in the tabulation of financial results represents final adjustments in respect of the previous financial year.

These reports have been approved by the directors of the respective companies and in each case have been signed on their behalf by two of the directors.

20 April 1983

JWT 53563

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

[illegible]

Abbey Unit Tst. Mngrs. (a) ... Britannia Gp. of Unit Trusts Ltd. (a)(c)(g) ... Duncan Lawrie Fnd. Mgrs. (g) ... Henderson Administration (a) (b) (c) ... Lloyd's Life Unit Tst. Mngrs. Ltd. ... National Westminster (a) ... Save & Prosper—continued ... Tyndall Managers Ltd.(a)(b)(c) [illegible]

Crown Life Hse, Woking GU21 1XW. 04862 24933

Crown High Inc. Trust	115.4	124.1	−0.4	6.47
Crown Growth Trust	112.3	120.8	−0.4	4.32

Dartington Unit Trust Mngt. Ltd.

Dartington, Totnes, Devon TQ9 6JE 0803 862271

Total Perf. Unit Tst.	28.2	32.3	+0.1	3.18

Discretionary Unit Fund Managers

36/38 New Broad St, EC2M 1NU. 01-638 4485

Disc Inc April 8	337.3	359.7		3.94

For Dunbar see Oppenheimer Fund Management

Bridge Fund Managers (a)(c)

Regis Hse, King William St, EC4 01-623 4951

Amer Gen †	57.4	61.8		1.04
Income*	73.1	78.7	+0.2	5.63
Capital Inc ‡	79.1	85.1		2.29
Do Acc ‡	98.7	106.2		2.29
Exempt‡	185.0	199.0		3.50
Intl Recovery Inc ‡	34.7	36.8		2.32
Do Acc ‡	44.2	47.6		2.32

Dealing *Tues. ‡Wed. †Thur. Prices April 12/13/14

Guardian Royal Ex. Unit Mgrs. Ltd.

Royal Exchange, EC3V 3LS 01-638 2020

See Currencies Page Mon-Fri and Stock Exchange Dealing Page Sat.

Murray Johnstone U.T. Mgmt. (a)

163, Hope Street, Glasgow, G2 2UH. 041-221 5521

Murray American	74.5	79.7	3.86
Murray European	74.6	80.2	0.92
Murray Smaller Cos.	99.9	106.4	1.74

Next dealing Fri.

National Provident Inv. Mngrs. Ltd.

48, Gracechurch St., EC3P 3HH. 01-623 4200

NPI Gth. Un. Tst.	96.2	102.4	−0.5	4.60
(Accum. Units)	142.7	151.9	−0.7	—
NPI O'seas Trust	277.9	294.1	−0.2	0.90
(Accum. Units)	325.3	344.3	−0.3	—

INSURANCES

[illegible]

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$400	27	46	—	—	—	—	$440
GOLD C	$425	5	27	2	44	—	—	"
GOLD C	$450	51	12	55	30	20	42	"
GOLD C	$475	78	6	4	18	42	31.10	"
GOLD C	$500	34	2.50	31	11	22	20	"
GOLD C	$550	10	0.50	24	5	128	14	"
GOLD P	$375	7	1	—	—	—	—	"
GOLD P	$400	5	2	10	7	—	—	"
GOLD P	$425	213	8	23	11	15	18	"
GOLD P	$450	159	15	111	22	1	24.50	"
GOLD P	$475	11	36	—	—	—	—	"
GOLD P	$500	10	63	—	—	—	—	"
GOLD P	$550	—	—	—	—	10	109	"
		May		Aug.		Nov.		
SILV C	$10	2	3.10	1	3.50	—	—	$12.32
SILV C	$11	11	2.60	4	3	—	—	"
SILV C	$12	71	1.85	45	2.59	5	2.80	"
SILV P	$10	—	—	1	06.0	—	—	"
SILV P	$11	—	—	100	0.60	—	—	"
SILV P	$12	4	1	121	1.20	—	—	"
		July		Oct.		Jan.		
AKZO C	F.40	1	21 A	2	19.70 A	—	—	F.59.20
AKZO C	F.45	5	15 A	5	15 A	—	—	"
AKZO C	F.50	120	9.70	32	10	—	—	"
AKZO C	F.55	134	7	—	—	—	—	"
AKZO C	F.60	217	4	159	5.80	9	7.20	"
AKZO C	F.65	446	2.30	126	3.60	48	4.20	"
AKZO P	F.45	5	0.50	15	1.10	—	—	"
AKZO P	F.50	145	1.70	10	2.40	—	—	"
AKZO P	F.55	161	3	2	4	3	4.50	"
AKZO P	F.60	115	5.10	—	—	—	—	"
KLM C	F.140	13	15 A	1	23.50	—	—	F.149.20
KLM C	F.150	207	9	1	17 A	—	—	"
KLM C	F.160	12	6.50 A	1	11.80	—	—	"
KLM C	F.170	271	3.20	20	7	—	—	"
KLM P	F.120	26	2	—	—	—	—	"
KLM P	F.130	44	4.80	—	—	—	—	"
KLM P	F.140	10	6.50 B	4	9.50 B	—	—	"
KLM P	F.150	14	10	—	—	—	—	"
KLM P	F.160	1	17	—	—	—	—	"
PHIL C	F.27.50	3	19.30 A	—	—	—	—	F.46.50
PHIL C	F.30	20	16.80	—	—	—	—	"
PHIL C	F.32.50	1	14.30 A	11	14.40 A	—	—	"
PHIL C	F.35	30	11.60	175	11.80	—	—	"
PHIL C	F.40	494	7	191	7.50	—	—	"
PHIL C	F.45	691	3.60	403	5.20	62	7	"
PHIL C	F.50	1064	2	186	3.80	107	4.50	"
PHIL P	F.32.50	22	0.20	—	—	—	—	"
PHIL P	F.40	167	0.80	220	1.90	—	—	"
PHIL P	F.45	1009	3.30	92	4	10	4.20 B	"
PHIL P	F.50	60	5.80	2	6 B	—	—	"
RD C	F.90	12	26.50	—	—	—	—	F.115
RD C	F.100	202	16	2	16.50 A	—	—	"
RD C	F.110	195	8	466	9	16	12	"
RD C	F.120	691	3.30	117	5	191	7.50	"
RD P	F.90	1	0.50	—	—	—	—	"
RD P	F.100	145	1.10	46	3.20 B	—	—	"
RD P	F.110	159	3.90	51	7 B	1	7 B	"
RD P	F.120	208	10.50	1	12.50 B	2	15	"
UNIL C	F.200	30	19	—	—	—	—	F.218.20
UNIL C	F.220	8	8.80	10	13.50 A	—	—	"
UNIL C	F.240	62	3.20	31	6	—	—	"
UNIL P	F.190	11	2.50	—	—	—	—	"
UNIL P	F.200	16	4.50	37	6.70	—	—	"
UNIL P	F.220	15	11.50 B	—	—	2	17 B	"
		May		Aug.		Nov.		
12¾ NL 81 87-91								
C	F.130	—	—	125	2	102	3.50	F.131
C	F.135	25	0.20	250	0.70	33	1	"
P	F.127.50	150	0.50	10	1.20	—	—	"
P	F.130	-	--	57	2.50	—	—	"
P	F.135	30	4.50	—	—	100	7	"
7½ NL 83 87 90								
C	F.97.50	—	-	1	1.60	—	—	F.98
C	F.100	100	0.10	—	..	—	—	"
P	F.97.50	—	—	3	1.20 B	—	—	"
P	F.100	150	2.20	—	—	—	—	"

TOTAL VOLUME IN CONTRACTS 15,418

A = Asked B = Bid C = Call P = Put

LONDON TRADED OPTIONS

Option	Calls April	Calls July	Calls Oct.	Puts April	Puts July	Puts Oct.
Brit. Petroleum (*386)						
280	110	—	—	1	—	—
300	90	102	110	1½	2	5
330	50	72	80	2	6	9
360	30	44	54	2	14	18
390	—	26	36	—	24	30
Cons. Goldfields (*549)						
420	137	147	—	1½	3	—
460	97	107	115	1	7	14
500	57	70	80	1½	14	25
550	12	40	52	10	28	42
600	1	18	30	—	62	—
Courtaulds (*92)						
70	23	25	27	1	1½	2
80	13	16	17	1	2½	3
90	3	8	10	1	6	8
100	¾	3	6½	9	12	13
Commercial Union (*150)						
120	30	33	36	1	1½	2
130	20	24	25	1	3	4
140	9	16½	19	1½	6	8
160	1	7	10	13	16	19
G.E.C. (*226)						
180	48	56	62	1	2	4
197	31	—	—	1	—	—
200	—	36	44	—	5	10
217	10	—	—	1	—	—
220	—	21	30	—	12	18
237	1	—	—	13	—	—
240	—	9	15	—	24	30
260	1	5	—	36	38	—
Grand Met. (*337)						
260	79	—	—	1	—	—
280	59	67	—	1	3	—
300	39	49	54	2	4	5
330	9	27	32	2	12	15
360	2	14	18	24	28	31
390	1	5	10	—	54	55
I.C.I. (*446)						
300	148	156	—	1	—	—
330	118	126	—	1	2	—
360	88	96	100	1	4	3
390	58	66	72	1	6	7
420	28	42	46	1	12	18
Land Securities (*327)						
260	67	72	78	1	2	—
280	47	52	59	2	4	8
300	27	33	41	2	7	11
330	1	15	25	7	19	22
Marks & Spencer (*213)						
180	35	41	46	1	3	6
200	15	24	30	1	8	12
220	1	12	17	8	18	21
240	1	6	—	28	30	—
Shell Transport (*500)						
390	112	122	130	1	2	3
420	82	92	102	1	3	8
460	42	56	66	1½	10	15
500	5	28	40	6	24	30
550	—	16	24	—	60	64

Option	Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
Barclays Bank (*463)						
360	127	135	—	1	2	—
390	97	105	—	2	2	—
420	67	75	92	2	6	12
460	27	37	53	8	18	28
500	8	20	32	25	32	43
Imperial Group (*112)						
90	24	—	—	1	—	—
100	15	—	—	1½	—	—
110	7	13	16	4	6	8
120	3	7	8	9	11	13
130	1	4	5	18	18	19
LASMO (*298)						
210	100	100	108	2	3	4
230	75	80	88	2	8	8
250	55	63	70	2	10	17
270	35	48	58	10	20	25
290	22	35	—	20	28	—
300	—	—	38	—	—	37
320	9	19	—	—	42	—
350	4	—	—	—	—	—
380	2	—	—	—	—	—
Lonrho (*88)						
80	11	14	16	2	3½	5½
90	4½	7½	8½	4	7	10
100	1½	3½	4½	13	16	18
P. & O. (*149)						
100	51	51	—	0¼	1	—
110	41	41	—	0½	2	—
120	31	31	32	1	2	4
130	21	24	25	1½	4	6
140	12½	17	19	3	8	13
160	4	9	12	14	22	26
Racal (*479)						
420	64	72	83	2	6	14
460	27	42	54	10	23	34
500	9	22	40	32	44	50
550	2	9	—	74	75	—
600	1	3	—	124	124	—
650	1	—	—	174	—	—
R.T.Z. (*579)						
390	197	—	—	0½	—	—
420	167	170	—	0½	—	—
460	127	130	—	0½	5	—
500	87	92	110	2	9	17
550	40	60	72	10	25	30
600	14	32	47	30	42	52
Vaal Reefs (*$115)						
80	--	—	—	1	—	—
90	26½	30	31½	1	3	5
100	17	21½	23½	2	5½	9
110	9½	15	18	5	9	13
120	5	10½	13	10	16½	17½
130	2½	7½	9½	17	—	23
140	1¼	5	6½	—	—	—

Option	Calls June	Calls Sept.	Calls Dec.	Puts June	Puts Sept.	Puts Dec.
Beecham (*410)						
360	55	62	75	4	6	9
390	35	46	52	10	17	22
420	19	28	36	27	32	35
Guest Keen (*155)						
140	20	25	30	3	6	10
160	9	15	20	10	14	17
180	3	7	12	26	28	30

Apr. 19 Total Contracts 5,120 Calls 4,448 Puts 672

* Underlying security price.

The Advertising Standards Authority.
If an advertisement is wrong, we're here to put it right.
A.S.A. Ltd., Brook House, Torrington Place, London WC1E 7HN.

Follow the Leader

Do you want to reach the top international financial specialists in European industry?

In mid 1982, the Financial Times, The Economist, and Euromoney commissioned Research Services Ltd. to conduct a study amongst these senior international financial specialists in order to discover what they read.

The published report is now available, and the results show that the publication most widely read by this prime target group was the Financial Times. By comparison, the table below shows the readership figures for some of the other 40 publications that were covered by the research.

	Readership %
FINANCIAL TIMES	42
F.A.Z.	24
HANDELSBLATT	21
LE MONDE	11
I.H.T.	9
NEUE ZURCHER ZEITUNG	8
WALL STREET JOURNAL	6
BUSINESS WEEK	24
ECONOMIST	22
TIME	13
NEWSWEEK	11
INSTITUTIONAL INVESTOR (INT.ED)	21
EUROMONEY	17

For more information about this research, or the position of the F.T. in the European market place, please contact your local Financial Times representative or the Market Research Department of the Financial Times.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

INSURANCE & OVERSEAS MANAGED FUNDS

OFFSHORE AND OVERSEAS

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. ø Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ♦ Yield column shows annualised rate of NAV increase.

INTERNATIONAL CAPITAL MARKETS

INVEST

SVILUPPO E GESTIONE INVESTIMENTI MOBILIARI SpA
SHARE CAPITAL LIT. 114,531,242,000
HEAD OFFICE: 25, VIA TURATI - MILAN (ITALY) TELEX 321401

1982 BALANCE SHEET APPROVED BY SHAREHOLDERS' MEETING

The Ordinary and Extraordinary Shareholders' Meeting of INVEST - Sviluppo e Gestione Investimenti Mobiliari S.p.A., held on 30th March under the chairmanship of Mr. Carlo C. Bonomi, approved the Board of Directors' Report and the Company's balance-sheet as at 30th November 1982, which closed with favourable results.

The Company's profit and loss account, after the adjustment of the book values of a number of shares, showed in fact a net profit of Lit. 7,847 million which permitted the Meeting to resolve on the distribution of a dividend of Lit. 120 per share (payable as from 5th April 1983).

The Company's investment portfolio totals Lit. 159,970 million, 72.86% of which is invested in subsidiaries, 24.83% in associated companies, 1.34% in other listed companies and 0.97% in fixed-income securities.

Invest's participations based on book value are distributed as follows: the insurance sector accounts for about 53%, the industrial sector for 36%, the financial and banking sector for 6%, whilst 5% is invested in other sectors or shareholdings outside the Group.

As far as the Company's capital funds are concerned, share capital amounts to Lit. 114,531,242,000 and total reserves to Lit. 26,000 million.

The Meeting resolved to co-opt Mr. Rinaldo Ossola to the Board of Directors and re-elected the Auditors (Mr. Mario Brughera, Mr. Luigi Guatri and Mr. Bruno Reboa) and the Alternate Auditors (Mr. Luigi Aldrighetti and Mr. Marco Spadacini) for a new three-year term (1983-85).

The extraordinary business transacted by the Meeting was the approval of the merger of Finanziaria Abes S.p.A., with a share capital of Lit. 1,500 million, into Invest S.p.A.

The subsequent Board meeting, after taking note of the promising trend in the first quarter of the current financial year, appointed *Mr. Rinaldo Ossola and Prof. Enrico Zanelli to the Executive Committee.*

Westpac launches $100m Eurobond

BY MARY ANN SIEGHART IN LONDON

WESTPAC, the Australian bank, launched a $100m, seven-year 11 per cent bond in the Eurodollar bond market yesterday. The bond is priced at par and led by Merrill Lynch.

The issue involves an interest rate swap, through which Westpac swaps its fixed-rate liability to buyers of the bonds with a counterparty's floating rate liability. In this case, there are two counterparties – one Australian and one American. Westpac will be paying ¼ point less than the London interbank offered rate.

Although the bond seemed to be fairly priced compared with other bank issues, it traded in the pre-market at a discount of about 1¾ points half a point outside its selling concession. Some dealers suggested *that the market might* be suffering from a surfeit of bank bonds.

Nevertheless, there are still three or four more Australian banks waiting to launch bonds this week or next. And the German DG Bank held back from issuing a $100m, seven-year, 11 per cent bond last night because of the sluggishness of the market.

Canadian Pacific Securities is raising C$80m through a seven-year, 11⅞ per cent bond priced at par. This is the first Canadian dollar bond with a coupon of less than 12 per cent since June 1980. Led by Orion Royal, it was trading in the pre-market yesterday at a discount of about 1¾ per cent.

The NEC Corporation's convertible public and private placements were priced yesterday in Switzerland by SBC. The SwFr 100m, ten-year public issue and the SWFr *150m, five-and-a-half year private* placement were both given 3½ per cent coupons.

LONDON RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price p	+ or –	Net Div.	Times Covered	Gross Yield	P.E. Ratio
140	F.P.	15/4	145	130	✻Airship Inds	130	–1	—	—	—	—
—	F.P.	—	100	95	Atl'tc M'trp'n U.S.0.10	95	......	Q8c	0.6	5.7	51.9
§68	F.P.	—	103	100	✻Bensons Crisps 10p	101	–1	g1.9	3.1	2.7	13.4
§110	F.P.	—	160	150	✻Bryant (Derek) 10p	150	......	u5.25	2.0	5.0	14.6
‡180	F.P.	6/5	253	228	Datastream 5p	230	–4	b2.25	3.5	1.4	29.1
‖	F.P.	15/4	220	190	✻Grainger Trust	190	......	u5.8	2.5	3.2	17.8
§58	F.P.	8/4	112	89	✻HB Elect Comps 10p	90	......	u1.12	3.2	1.8	20.2
‖	F.P.	—	60	38	✻Intervision Video 10p	38xd	–1	1.0	2.1	3.8	15.1
§80	F.P.	—	115	110	✻Lorlin Elect. 20p	115	......	b1.0	5.0	1.2	19.2
§60	F.P.	—	145	128	✻Miss World Grp. 10p	134	–8	b3.0	2.5	3.2	15.6
§£48	F.P.	—	£57	£50	Perstorp AB Free 'B'	£50	......	Q9.84%	5.2	0.7	25.5
‖	F.P.	—	36	27	✻Rivlin L. D. & S. 5p	33	......	F0.1	—	0.4	—
175	F.P.	25/3	303	253	Superdrug Stores 10p	260	–3	Hd3.5	ϕ	1.9	ϕ
§72	F.P.	30/3	113	89	✻Utd. Packaging 10p	105	......	b2.5	3.2	3.4	11.2
‖	F.P.	—	44	38	✻Yorkgreen Inv. 10p	38	–2	b1.4	2.5	5.5	8.5

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price £	+ or –
‖	Nil	—	30ppm	15ppm	Bifurcated Con. Cum. Red. Pref. '91-93	15ppm	–12
¶¶	F.P.	20/5	98	95	Brooke Tool 17% Conv. Cum. Prf. 50p	95	–3
18	£25	30/6	28	24¼	Hambros Inv. 6-17% Stpd. Deb. 2018	27½	......
‖	F.P.	—	225p	145p	✻Intervision 7% Cnv. Red. Prf.	145p	......
—	—	—	100½	99	Nationwide Bdg. Soc. 11¼% Bds. 19/5/84	100½	......
—	—	—	100½	100⅛	Do. 11¼% Bds. 9/4/84	100½	......
¶¶	F.P.	20/5	14p	11p	Newman Inds. 10% Cm Cnv Red.Prf.10p	14p	......
§97.174	£25	6/5	32¾	22	Pearson (S) 13% Uns. Ln. 2007	32½	–¼
99.778	£25	—	26	25½	Sunderland 11¾% Red. 2008	25½	......
¶100	F.P.	9/6	102	101½	Sutton Dist. Water 7% Pref. 1988	101½	......
100	F.P.	—	108p	105p	Wellman Eng. 10% Cum. Irr. Conv. Pref.	108p	......

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1983 High	1983 Low	Stock	Closing price p	+ or –
73	F.P.	12/4	15/5	94	86	✻Aidcom Int. 10p	89	......
55	Nil	26/4	3/6	51pm	42pm	BSR 10p	49pm	+1
10	F.P.	8/4	20/5	15½	11½	Bluemel Bros	14½	–1
155	F.P.	8/4	31/5	204	175	Brit. Car Auctions 10p	204	......
220	Nil	28/4	20/5	70pm	50pm	Collins (William)	70pm	+5
175	Nil	28/4	20/5	68pm	45pm	Do. 'A'	68pm	+5
45	Nil	30/4	3/6	8pm	5pm	Comben Grp. 10p	5pm	......
22	Nil	29/4	24/5	2½pm	1½pm	East Rand Cons. 10p	2pm	......
95	F.P.	18/4	16/5	116	105	Ferguson Ind.	114	–2
385	F.P.	—	27/5	600	522	Fisons £1	600	......
102	F.P.	7/5	29/5	117	113	✻Garfunkels 10p	116	......
163	F.P.	11/3	10/6	183	162	Geers Gross 10p	180	–2
30	F.P.	12/4	20/5	51	40	Guinness Peat	50	–1
162	Nil	27/4	18/5	18pm	6pm	Hampton Gld Mining 10p	17pm	–1
250	F.P.	16/4	13/5	330	304	Harris Queensway	330	+6
198	Nil	—	—	48pm	18pm	✻Immediate Business 10p	18pm	–8
Ir£0.88	F.P.	—	—	95	92	Irish Distillers	93	......
185	F.P.	20/4	17/6	302	215	LASMO	302	......
110	Nil	—	—	15pm	8pm	Leisuretime Int. 10p	8pm	–1
140	F.P.	28/3	6/5	194	173	*Magnet & Southerns*	182	–3
290	Nil	—	—	115pm	100pm	Mills & Allen	108pm	......
176	Nil	—	—	62pm	52pm	Mowlem (J)	60pm	+2
A$1.58	F.P.	28/4	26/5	107	67	North B. Hill 50c	107	+16
—	Nil	—	—	14½pm	13½pm	Sheffield Bric'	14½pm	......
390	Nil	—	—	58pm	47pm	Standard Chartered Bank £1	47pm	......
81	F.P.	28/3	6/5	100	98	Valor	98	–2
15	Nil	26/4	27/5	10½pm	7pm	Whittington Int'l	7¼pm	–¼

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *d* Dividend rate paid or payable on part of capital: cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1983. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ϕ Figures or report awaited. § Placing price. *p Pence unless otherwise indicated.* ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ‡ Effective issue price after scrip. † Formerly dealt in under special rule.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. The following are closing prices for April 19.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 10¾ 90	100	97⅞	98⅛	0	–1½	10.87
Amro Bank 13 88	200	107½	108	–0⅛	+1⅛	11.22
Bank of Tokyo Hold 11 90	100	99¼	99¾	–0⅛	+0⅛	11.10
British Col Hyd 10¾ 88	200	99⅜	99¾	–0⅛	–0⅛	10.51
British Col Hyd 15¾ 92	150	119	119½	+0⅛	–1½	11.70
Canada 14⅞ 87	750	111⅞	112⅜	0	+0⅛	10.58
Canadair Ltd 12½ 88	175	106⅝	107⅛	+0⅛	+1	10.94
Canadian Wheat 11¾ 90	50	101¼	101¾	0	+0½	10.92
Can Pac Sec 15 89	75	110½	110¾	+0⅛	0	12.49
Coca Cola Int 9⅝ 92	100	25⅛	25⅞	0	+0⅛	10.62
Coca Cola Int 11¾ 89	100	105	105½	0	+0⅛	10.56
Credit Suisse BHA 10½ 90	150	100⅛	100⅝	–0⅛	–0⅛	10.41
Credit Suisse 10½ 88	100	102⅛	102⅝	0	+0⅞	9.87
Deutsche Bk Fin 14¼ 89	300	112½	113	+0⅛	+0⅛	11.29
Du Pont 11¾ 95	150	102⅜	103⅛	0	+0⅛	10.77
Du Pont 14½ 89 WW	200	108⅞	109⅜	0	+0½	12.81
E.D.C. 10⅝ 88	100	100½	101	0	–0⅛	10.51
E.D.F. 12⅛ 87	150	104⅛	104⅝	–0⅛	+0⅛	11.41
E.E.C. 10¾ 95	75	96⅜	96⅞	–0⅛	–0⅛	11.27
E.E.C. 11½ 95	200	99⅝	100⅛	0	–0⅛	11.48
E.I.B. 11 91	125	99⅜	99⅞	+0⅛	+0⅛	11.06
E.I.B. 15½ 92	100	114⅞	115⅜	+0⅛	+0⅛	12.65
Exp Dev Corp 11¾ 87	100	103⅛	103⅝	–0⅛	0	10.73
Fecsmonts 13¾ 92	75	107⅜	107⅞	–0⅛	+1	12.38
Gaz de France 12⅛ 93	175	21⅛	21⅜	0	+1	11.96
Gen Elec Credit 9¾ 91	100	15⅛	15⅝	0	+0½	10.60
Gen Elec Credit 12 89	100	107⅛	107⅝	0	+0⅛	10.34
GMAC O/S Fin 10½ 90	200	99⅛	99⅝	0	+0⅛	10.61
GMAC O/S Fin 15 87	100	110⅛	110⅝	0	+1	11.84
Gulf Oil Fin 12¼ 87	100	104½	105	0	+0½	10.80
Honeywell Int 10⅜ 90	100	98⅝	99⅛	–0⅛	+0⅛	10.96
IBM World Trade 12⅜ 92	200	110⅞	110⅞	0	+0⅛	10.40
Manitoba Prov 11⅜ 89	125	104	104½	+0⅛	+0½	10.78
Manitoba Prov 13⅜ 89	100	109½	110	0	+0⅛	11.48
Midland Int Fin 11½ 92	150	101⅝	102⅛	+0⅛	+1	11.15
Nat West Fin 11¾ 92	150	103⅝	104⅛	+0⅛	+1⅛	11.05
New Brunswick 15¼ 87	75	111½	112	0	0	11.57
Newfoundland 15½ 90	75	113⅜	114⅜	–0⅛	+0⅛	12.41
Nippon Credit 11⅛ 93	100	98⅝	98⅞	0	–0⅛	11.48
Nova Scotia Prv 15⅛ 89	75	114	114½	0	+0⅛	11.86
O.K.B. 10 91	100	95⅝	95⅞	–0⅛	–0⅛	10.85
Ontario Hydro 11¼ 89	200	103⅛	103⅝	0	+0⅛	10.50
Ontario Hydro 12⅜ 92	200	108⅛	108⅝	+0⅛	+0⅛	11.22
Ontario Hydro 15 92	150	117⅞	118⅜	0	+0⅛	11.67
Prudential O/S 10⅝ 93	100	100⅛	100⅝	0	0	10.56
Prudential O/S 12⅝ 87	150	107½	108	0	+0⅛	10.45
Quebec Hydro 11½ 92 B	100	102½	103	0	+0½	11.00
R. J. Reynolds 12⅜ 89	100	106⅛	106⅝	+0⅛	+1	11.27
Saskatchewan Pr 10⅝ 90	125	99¼	99¾	–0⅛	+0⅛	10.85
S.N.C.F. 11½ 93	100	100⅛	100⅝	0	+0⅛	11.43
Swiss Bk Corp 10⅜ 90	125	101½	102	–0⅛	0	9.86
Texaco Capital 9⅝ 90	150	95⅜	95⅞	–0⅛	+0⅛	10.50
U.B.S. 11 89	150	103⅛	103⅝	+0⅛	0	10.19
Walt Disney Prd 12½ 89	75	106⅛	106⅝	0	+1	10.96
World Bank 10⅝ 88	150	99⅛	99⅝	–0⅛	+0⅛	10.54
World Bank 10⅞ 93	100	99½	100	0	+0⅛	10.91
World Bank 11⅛ 90	100	98¾	99¼	–0⅛	+0½	11.18

Av. price changes: on day 0, on week +½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 8¼ 92	80	100⅞	101½	+0⅛	+0⅛	8.07
Australia 6⅞ 93	200	99	99½	0	0	6.96
Australia 7¾ 92	200	104¼	105	–0⅛	0	7.06
Bank of Tokyo 7¼ 90	100	99⅝	100⅛	–0⅛	–0⅛	7.24
Bayer Capital 7⅝ 89	150	104⅞	105⅜	+0⅛	+0⅛	6.60
Caisse Nat Energie 8 93	100	100	100½	0	–0⅛	7.96
Caisse Nat Tele 7⅝ 93	200	98¼	98¾	–0⅛	0	7.97
E.C.S.C. 7½ 93	150	99⅛	99⅝	–0⅛	–0⅛	7.59
E.E.C. 7¾ 95	200	100	100½	0	–0⅛	7.71
E.E.C. 8 94	200	100⅞	101⅜	+0⅛	–0⅛	7.82
Eurofima 7½ 91	100	101⅞	102¼	+0⅛	–0⅛	7.15
Ferrovie Dello 8¾ 88	150	102⅜	102⅞	–0⅛	–0⅛	8.07
Gould Int Fin 8⅛ 89	75	103⅜	103⅞	0	0	7.52
H.J. Heinz Int 8⅜ 88	50	100⅛	100⅝	+0⅛	+0⅛	8.62
Int-Am Dev Bk 8¼ 93	150	101⅛	101⅝	0	–0⅛	8.03
Ireland 8½ 90	150	101½	102	0	0	8.15
Ireland 8⅝ 91	150	101⅞	102⅜	0	–0⅛	8.45
ITT Antilles 7 93	200	98	98½	–0⅛	–0⅛	7.25
McDonalds Fin 7⅞ 92	100	101⅝	102⅛	+0⅛	+0⅛	6.83
Mitsui O.S.K. 7¼ 88	100	100⅝	101⅛	0	+0¼	7.02
Mount Isa Fin 7⅝ 90	100	98	98½	0	–0⅛	7.96
Quebec Hydro 8 93	200	102⅝	103⅛	–0¼	–0⅛	7.57
Sweden Kingdom 8¼ 89	150	102⅛	102⅝	+0⅛	–0⅛	7.74
Volkswagen Int 7¼ 93	200	98⅛	98⅝	0	–0⅛	7.48
World Bank 7¼ 93	200	98⅛	98⅝	0	–0⅛	7.48

Av. price changes: on day 0, on week –⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Air Canada 5½ 95	100	99	99¼	+0¼	+0½	5.99
American Express 4¾ 93	100	98½	98¾	0	0	4.93
Asian D.B. 5⅞ 95	100	99½	99¾	+0⅛	+0½	5.92
BTB Finance 5⅝ 93	75	98¼	98½	–0¼	0	5.84
Carls-Tuborg Brw 5¾ 93	60	102½	102¾	0	+0½	5.40
Chugoku Ele Pow 6⅛ 91	100	103¼	103½	+0⅛	+0¼	5.57
Chugairoya Co 5⅞ 93	50	97¾	98	–0⅛	0	6.17
E.I.B. 5¾ 93	100	99¾	100	–0¼	–0¼	5.77
Ex-Im Bk Japan 5 93	100	98	98¼	+0½	+0½	5.25
First Interstate 6 92	100	103¾	104	+0¾	0	5.47
Fuji Electric Co 6 93	100	100½	100¾	+0½	+0½	5.91
Gothenburg Airport 6 93	50	100½	100¾	0	+0½	5.91
HCA Finance 5 93	100	98	98¼	0	+0¾	5.25
Manitoba Prov 5¼ 93	100	101½	101¾	+0⅛	+0⅛	5.04
Nippon Express Co 6 93	50	101	101¼	0	–0¼	5.84
Nippon Kokan 5⅝ 93	100	96¼	96½	0	0	6.12
Norsk Hydro 5½ 98	100	98¼	98½	0	+0¼	5.66
O.K.G. 6⅜ 93	60	102½	102¾	+0½	+0½	6.37
Quebec 5¾ 92	100	103	103¼	+0½	+0½	5.32
Shikoku Elec Pow 5⅝ 93	100	98	98¼	+0¼	+0½	5.88
Tohoku Elec Power 6 93	100	100¾	101	–0¼	+0½	5.88
Transcanada Pipe 5¾ 93	100	99¼	99½	0	+1¼	5.83
Trizec Corp 6¼ 91	100	101	101¼	0	+0¼	6.07
Union Bk Norway 5⅞ 93	60	97¾	98	+0¾	+0¼	5.86
Volvo 5⅞ 91	60	101¾	102	0	0	5.60
World Bank 5½ 93	100	101	101¼	+0½	+0½	5.35

Av. price changes: on day 0, on week +¼

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	105⅝	106⅛	+0⅛	+0¼	7.74
E.I.B. 8¼ 92	15	102¼	103	0	+0¼	7.83
Japan Airlines 7⅝ 87	9†	101⅛	102⅛	0	+0⅛	7.48
New Zealand 7⅝ 88	15	100⅝	101⅛	–0⅛	+0⅛	7.41
World Bank 8⅝ 92	20	103½	103⅞	0	0	7.81

Av. price changes on day +½, on week +⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Cepme 12½ 90 CS	50†	98⅛	98⅝	0	+0½	12.82
Farm Credit 12⅛ 93 CS	50†	100⅝	101⅛	0	+0	11.96
Gaz Metro 14½ 92 CS	40†	102⅝	103⅛	0	–0⅛	13.83
Interprov Pipe 12⅛ 93 CS	50†	98⅛	99	0	0	12.47
Pancanadian 12½ 93 CS	50†	99⅛	100	0	+0⅛	12.54
Quebec Hydro 14 92 CS	80†	107	107½	0	+0⅛	12.82
Swed Exp CR 12⅛ 88 CS	50†	102½	103	0	+0⅛	11.45
E.I.B. 11⅞ 91 ECU	80†	99	100	–0⅛	–1	11.94
Quebec Prov 11½ 88 ECU	50†	96¼	97¼	+0⅛	+0⅛	12.29
Amfas 9½ 87 Fl	80	104⅜	105⅛	0	0	8.13
Austria 7½ 88 Fl	100	100	100½	0	–0⅛	7.43
Nederland Gas 7½ 88 Fl	100	100⅝	100⅞	+0⅛	–0⅛	7.34
Neder Middk 8¼ 87 Fl	100	104⅛	105	0	0	7.07
Quebec Prov 7½ 88 Fl	100	99⅜	99⅞	0	+0⅛	7.65
World Bank 7 88 Fl	150	98⅛	98⅝	0	0	7.37
O.K.B. 14 86 FF	400	99⅝	100⅝	+0⅛	+0⅛	13.83
Solvay & Cie 14⅜ 86 FF	200	100⅝	101⅝	+0⅛	0	14.32
B.F.C.E. 14½ 87 £	30	107⅛	108⅛	–0⅛	–1	12.03
C.E.C.A. 13½ 88 £	20	105⅝	106⅝	–0⅛	–0⅛	11.84
C.N.T. 12½ 89 £	20	101	102	–0⅛	–0⅛	12.11
E.E.C. 11⅞ 91 £	50	99⅝	100⅝	–0⅛	–0½	11.90
Fin For Ind 12⅜ 88 £	30	102⅝	103⅝	–0⅛	–1⅛	11.41
Fin Nat Oranj 12⅜ 92 £	30	100⅝	101⅝	+7⅛	+7⅛	12.40
Gen Elec Co 12½ 89 £	50	104⅜	105⅜	–0⅛	–0⅛	11.17
Hiram Walker 14¼ 86 £	25	106⅝	107⅝	–0⅛	–0⅛	11.28
Mort Bk Fin 11⅜ 89 £	15	26⅛	27⅛	0	+0⅛	12.46
Norsk Hydro 12 90 £	30	101⅛	101⅞	–0⅛	+0⅛	11.64
Norsk Hydro 14½ 87 £	30	107⅜	108⅜	–0⅛	–0⅛	11.85
Quebec 14½ 88 £	30	108⅝	109⅝	–0⅛	+0½	12.27
S.D.R. France 15½ 92 £	30	106⅜	107⅜	–0⅛	–0¼	14.00
S.N.C.F. 11½ 89 £	30	97	98	–0⅛	–0⅛	12.04
Tenneco Int 14⅜ 87 £	30	108	109	–0¼	0	12.04
World Bank 11⅜ 91 £	75	97⅛	98⅛	0	+0⅝	11.84
Euratom 11 93 LuxFr	500	102⅜	103⅜	0	+0⅛	10.51
Europarat 12½ 92 LuxFr	500	104⅝	105⅜	+0⅛	+0⅛	11.58

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
Bank of Tokyo 5¼ 91 (D)	0⅛	100¼	100⅝	10/6	9⅝	9.70
B.F.C.E. 5¼ 88	0¼	99	99½	20/7	9¼	9.32
B.F.C.E. 5¼ 87	0¼	99⅝	100¼	27/7	9.94	9.94
Caisse Nat Tele 5¼ 90	0¼	99½	100	21/4	10.56	10.58
C.C.F. 5¼ 95	0⅛	99⅝	100½	7/10	10.19	10.20
C.C.F. 5¼ 98	0⅛	100	100½	24/8	9.94	9.91
Cepme 5¼ 88 WW	0⅛	99⅛	99⅝	3/8	5⅛	5.27
Cepme 5¼ 92	0¼	99⅝	100¼	10/6	9.94	9.94
Chemical NY 5¼ 94 ††	0¼	100½	101	23/5	9⅝	9.80
Credit Agricole 5¼ 97	0¼	99⅝	99⅞	24/8	10	10.04
Credit du Nord 5¼ 92	0¼	99¼	99¾	23/8	10½	10.18
Credit Lyonnais 5¼ 97	0¼	99¾	100⅛	1/10	10.06	10.08
Credit Lyonnais 5¼ 94	0¼	99⅝	99⅞	5/7	9⅝	9.79
Credit Nat 5¼ 94	0¼	98⅞	99⅜	9/9	9¼	9.33
E.D.F. 5¼ 95 XW	0¼	99¼	99¾	10/8	10	10.05
Kansallis Osake 5½ 92 †	0¼	99⅝	100¼	6/5	10.06	10.06
Long Term Cred 5¼ 92	0⅛	100	100¼	27/5	10⅛	10.11
J.P. Morgan 5¼ 97 S	0¼	100⅛	100⅝	12/5	9½	9.44
New Zealand 5¼ 87	0⅛	100¼	100⅝	7/10	10.06	10.01
NZ Steel Dev 5¼ 92	0⅛	100⅛	100⅝	22/8	10.19	10.15
Nippon Credit 5¼ 90	0½	100	100½	10/8	9⅞	9.86
Scotland Int 5¼ 92	0⅛	100¼	100⅝	23/9	9.94	9.88
Sec Pacific 5¼ 91	0⅛	100⅛	100⅝	24/5	10.06	10.02
Société Générale 5¼ 95	0¼	99⅝	99⅞	1/9	9½	9.54
Standard Chart 5¼ 91	0⅛	100	100½	18/5	10.69	10.66
Sweden 5¼ 93	0⅛	99⅞	99⅝	3/8	10.19	10.24
Sweden 5¼ 89	0¼	99½	100	25/8	9⅝	9.65

Av. price changes: on day –⅛, on week –⅛

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5¼ 96	7/81	933	99½	101	–0⅛	26.52
Bridgestone Tire 5½ 96	3/82	470	107⅛	108⅝	+0⅛	3.63
Canon 7 97	7/82	748.2	102	104	–0⅛	0.67
Fujitsu Fanuc 4½ 96	10/81	5614	111½	113½	+0⅛	49.61
Hitachi Cable 5¼ 96	2/82	515	98½	100	–0½	4.75
Hitachi Credit Corp 5 98	7/81	1612	95⅛	97⅛	–0⅛	16.04
Honda Motor 5½ 97	3/82	759.8	114⅛	116⅛	–0⅛	6.97
Kawasaki 5¼ 96	9/81	229	86½	88	–0½	26.17
Kumagai Gumi 6½ 97	10/82	400	111¼	112⅞	–0⅛	1.11
Kyowa Hakko 6¼ 97	2/83	782	103⅛	104⅞	–1⅛	12.05
Marui 6 96	7/81	709.5	123⅛	125⅛	–1⅛	6.12
Minolta Camera 5 96	10/81	825.4	81¼	82⅞	+0⅛	42.81
Murata 5¼ 96	7/81	1971	118⅞	119⅞	–0⅛	22.57
Nippon Electric 5¼ 97	2/82	785.8	126⅝	128⅛	–0⅛	8.87
Nippon Oil Co 5½ 98	4/83	994	96⅛	97⅞	+0⅛	8.19
Nissan Motor 5¼ 98	4/83	770	96½	97⅞	–0⅛	2.18
Olympus Optical 6¾ 97	12/82	1331	102¼	102⅞	–1⅛	11.38
Orient Finance 5¼ 97	3/82	1205	105⅝	107⅝	–1⅛	36.87
Sumitomo Electric 5½ 97	3/82	577.3	99½	101	–0⅛	8.43
Sumitomo Metal 5¼ 96	10/81	296.1	78	79⅝	–0⅛	47.90
Fujitsu 3½ 93 SF	3/83*	862	100	100¼	–1⅛	11.51
Sharp Corp 3½ 93 SF	3/83*	1180	110¼	110½	–0⅛	–1.27
Konishiroku 6⅜ 88 DM	6/82	816	111⅞	112¼	+0⅛	8.88
Mitsubishi Heavy 6 89 DM	2/82	283	108	109	–0⅛	14.78
Sun Realty 6¼ 92 DM	2/83	385	113⅛	114⅛	–0⅛	–2.58

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date – Date next coupon becomes effective. Spread – *Margin above six-month offered rate (†† three month; § above mean rate)* for U.S. dollars. C.cpn. – current coupon. Cu. yld – current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day – Change on day. Cnv. date – First date for conversion into shares. Cnv. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

© The Financial Times Ltd., 1983. Reproduction in whole or in part in any form not permitted without written consent. Data supplied by DATASTREAM International.

All of these securities having been sold, this advertisement appears as a matter of record only.

March, 1983

$25,000,000

The Advest Group, Inc.

9% Convertible Subordinated Debentures Due 2008

Interest Payable March 15 and September 15

The Debentures are convertible at any time prior to maturity, unless previously redeemed, into Common Stock of the Company at $24.625 per share, subject to adjustment in certain events.

Copies of the Prospectus may be obtained in any State only from such of the undersigned and the other several underwriters as may lawfully offer the securities in such State.

Shearson/American Express Inc. — Warburg Paribas Becker A. G. Becker

Bear, Stearns & Co. — The First Boston Corporation — Blyth Eastman Paine Webber Incorporated

Alex. Brown & Sons — Donaldson, Lufkin & Jenrette Securities Corporation — Drexel Burnham Lambert Incorporated

Goldman, Sachs & Co. — Hambrecht & Quist Incorporated — Kidder, Peabody & Co. Incorporated — Lazard Frères & Co.

Lehman Brothers Kuhn Loeb Incorporated — Merrill Lynch White Weld Capital Markets Group Merrill Lynch, Pierce, Fenner & Smith Incorporated

Prudential-Bache Securities — L. F. Rothschild, Unterberg, Towbin — Salomon Brothers Inc

Wertheim & Co., Inc. — Dean Witter Reynolds Inc. — Advest, Inc.

This advertisement complies with the requirements of the Council of The Stock Exchange.

U.S. $200,000,000

Merrill Lynch Overseas Capital N.V.

(Incorporated with limited liability in the Netherlands Antilles)

10⅝% Guaranteed Notes due 1990

Unconditionally Guaranteed by

Merrill Lynch & Co., Inc.

(Incorporated with limited liability in Delaware)

The following have agreed to underwrite these Notes:

Merrill Lynch International & Co.

Algemene Bank Nederland N.V. — Banque Nationale de Paris
Banque Paribas — Crédit Lyonnais
Credit Suisse First Boston Limited — Deutsche Bank Aktiengesellschaft
Goldman Sachs International Corp. — Morgan Stanley International
Nomura International Limited — Salomon Brothers International
Société Générale — Société Générale de Banque S.A.
Swiss Bank Corporation International Limited — Union Bank of Switzerland (Securities) Limited

S. G. Warburg & Co. Ltd.

The Notes, to be issued at 100%, have been admitted to the Official List by the Council of The Stock Exchange subject only to the issue of the Notes. Interest will be payable annually in arrears on April 28, beginning April 28, 1984.

Full particulars of the Notes are available in the Extel Statistical Service and may be obtained during usual business hours on any weekday (Saturdays and public holidays excepted) up to and including May 5, 1983 from the brokers to the issue:

de Zoete & Bevan
25 Finsbury Circus
London EC2M 7EE

April 20, 1983

All of these securities have been sold. This announcement appears as a matter of record only.

April, 1983

Applied Materials

560,000 Shares

Common Stock

L.F. ROTHSCHILD, UNTERBERG, TOWBIN

BEAR, STEARNS & CO. — THE FIRST BOSTON CORPORATION — A. G. BECKER PARIBAS Incorporated

BLYTH EASTMAN PAINE WEBBER Incorporated — ALEX. BROWN & SONS — DILLON, READ & CO. INC.

DONALDSON, LUFKIN & JENRETTE Securities Corporation — GOLDMAN, SACHS & CO. — HAMBRECHT & QUIST Incorporated

KIDDER, PEABODY & CO. Incorporated — LAZARD FRERES & CO. — LEHMAN BROTHERS KUHN LOEB Incorporated

MERRILL LYNCH WHITE WELD CAPITAL MARKETS GROUP Merrill Lynch, Pierce, Fenner & Smith Incorporated — PRUDENTIAL-BACHE Securities — SALOMON BROTHERS INC

SHEARSON/AMERICAN EXPRESS INC. — SMITH BARNEY, HARRIS UPHAM & CO. Incorporated

WERTHEIM & CO., INC. — MONTGOMERY SECURITIES — ROBERTSON, COLMAN & STEPHENS

COWEN & CO. — A. G. EDWARDS & SONS, INC. — MOSELEY, HALLGARTEN, ESTABROOK & WEEDEN INC.

OPPENHEIMER & CO., INC. — ROWE & PITMAN, INC. — SUTRO & CO. Incorporated

THOMSON McKINNON SECURITIES INC. — TUCKER, ANTHONY & R. L. DAY, INC. — WEDBUSH, NOBLE, COOKE, INC.

CAZENOVE INC. — DAVID ALLSOPP & ASSOCIATES, INC.

EEC exports boost welcomed by pig farmers, Page 29

SECTION III CONTENTS

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Wednesday April 20 1983

WALL STREET

Contentment at downward adjustment

A MODEST downward reaction in both credit and equity sectors of Wall Street yesterday was not taken too seriously by the market professionals, who were expecting a pause for readjustment after the strong rises over the past eight trading sesssions, *writes Terry Byland in New York.*

Yields moved higher in the Treasury bill and Government bond markets. Turnover was light, however, but the investment mood took a more pessimistic turn when the Federal Reserve Board announced a customer repurchase of $1bn, rather than a more direct and lasting input.

Share prices moved lower and the Dow Jones industrial average which had rallied during the early afternoon following the morning's decline, finally turned back down towards the close to end at 1174,54 for a loss on the day of 8.70.

However, corporate trading reports continued to inspire many good features and a heavy list of block trades in such major names as Exxon, IBM, Nabisco, General Motors and Polaroid bore witness to the ready demand for good stocks.

It was another busy session for the Wall Street brokerage houses which, in addition to responding to a wide range of trading reports from U.S. industry, also faced a batch of reports from inside their own industry.

E. F. Hutton traded $⅝ lower at $52½ after announcing higher earnings for the first quarter and Donaldson, Lufkin and Jenrette lost a similar amount to $22⅞ also after higher profits.

Results from the financial sector included increased earnings at Citicorp, $¾ higher at $45⅝ at one stage, and also from Bankers Trust NY, $¾ higher at $48⅝.

The high technology sector was featured by Honeywell and Control Data, both with lower earnings for the opening quarter but seeing signs of improvement ahead. Honeywell slipped an early $¾ to $99¼ and Control Data at $50¼ shed $1¼.

Allegheny International turned down by $½ to trade at $30¼ as the market awaited developments over the possible sale of the special metals division to Nippon Steel.

Other major stocks to move on company statements included Allied Corporation, $⅝ off at $47½

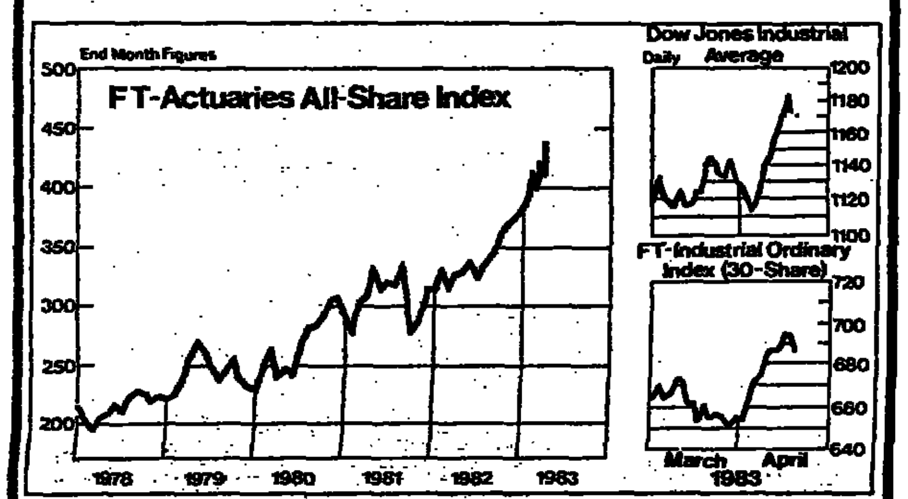
A batch of trading reports announced just before the close included Rockwell, the defence and aerospace group, whose shares eased $1 to $54 despite higher second quarter profits, Goodyear Tire $⅝ off at $30⅞ after lower profits.

But the busiest stock in the market was Pepsico, which gained $1½ to $37¼ as well as recording several block trades after a leading analyst had upgraded the stock – taking the view that the company is over the worst and lower earnings for the first quarter have been well discounted in the share price.

Gains in Treasury bond yields stretched to 10 or 15 basis points with the three-month notes at a discount of 8.14 per cent and the six-month at 8.29. The benchmark long bond fell to 99½ as the Federal Funds rate stood at 8⅝ per cent.

The early weakness on Wall Street and a round of profit-taking sent Toronto stock prices slightly lower. Metals and mining were the only sectors to show any strength. A more mixed tone emerged in Montreal with industrials and utilities trading ahead, but banks and papers slightly easier.

KEY MARKET MONITORS



STOCK MARKET INDICES

	April 19	Previous	Year ago
NEW YORK			
DJ Industrials	1174.54	1178.50	846.08
DJ Transport	525.41	529.50	348.43
DJ Utilities	126.77	126.48	111.95
S&P Composite	158.71*	159.74	116.70
LONDON			
FT Ind Ord	685.2	695.0	582.6
FT-A All-share	437.46	441.52	321.42
FT-A 500	475.31	480.55	346.80
FT-A Ind	438.83	443.53	315.14
FT Gold mines	648.6	657.9	247.8
FT Govt secs	81.68	82.19	67.45
TOKYO			
Nikkei-Dow	8541.86	8582.53	7135.21
Tokyo SE	619.91	621.81	523.96
AUSTRALIA			
All Ord.	587.1	574.1	476.1
Metals & Mins.	540.5	530.6	343.2
AUSTRIA			
Credit Aktien	54.67	54.37	52.16
BELGIUM			
Belgian SE	121.92	122.8	99.71
CANADA			
Toronto Composite	2283.7*	2286.0	1604.60
Montreal Industrials	387.29*	386.79	288.94
Combined	380.78*	380.36	274.00
DENMARK			
Copenhagen SE	138.37	138.53	94.41
FRANCE			
CAC Gen	121.0	121.0	107.00
Ind. Tendance	126.5	126.5	117.0
WEST GERMANY			
FAZ-Aktien	313.25	310.73	234.77
Commerzbank	938.0	931.4	715.4
HONG KONG			
Hang Seng	1043.18	1040.97	1180.65
ITALY			
Banca Comm.	196.7	190.64	194.34
NETHERLANDS			
ANP-CBS Gen	128.4	129.8	90.8
ANP-CBS Ind	106.5	108.2	71.0
NORWAY			
Oslo SE	165.82	163.51	99.48
SINGAPORE			
Straits Times	906.89	899.27	748.55
SOUTH AFRICA			
Golds	906.1	924.7	454.0
Industrials	903.5	889.4	590.9
SPAIN			
Madrid SE	111.49	113.73	123.89
SWEDEN			
J & P	1329.49	1315.62	569.23
SWITZERLAND			
Swiss Bank Ind	317.4	317.9	280.8
WORLD	Apr 18	Prev	Yr ago
Capital Int'l	174.0	172.9	132.9

GOLD (per ounce)

	April 19	Prev
London	$439.50	$441.50
Frankfurt	$440.50	$443.50
Zürich	$440.50	$442.50
Paris (fixing)	$442.09	$443.93
New York (April)	$433.20	$445.00

* Indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR April 19	U.S. DOLLAR Previous	STERLING April 19	STERLING Previous
£	1.5520	1.5615	–	–
DM	2.4525	2.4595	3.81	3.8375
Yen	237.30	237.85	368.5	371.75
FFr	7.3525	7.3725	11.41	11.51
SwFr	2.0625	2.0580	3.2025	3.2150
Guilder	2.7635	2.7710	4.2875	4.33
Lira	1459.75	1461.75	2265	2282.50
BFr	48.87	48.92	75.85	76.40
C$	1.23875	1.23675	1.9215	1.9305

INTEREST RATES

	April 19	Prev
Euro-currencies (three month offered rate)		
£	10⅝	10⅝
SwFr	4⅝	4⅝
DM	5	5
FFr	13¾	13¾
FT London Interbank fixing (offered rate)		
3-month U.S.$	9⅛	9⅝
6-month U.S.$	9⅝	9¼
U.S. Fed Funds	9⅝	8½
U.S. 3-month CDs	8.75	8.75
U.S. 3-month T-bills	8.14	8.06

U.S. Treasury Bonds

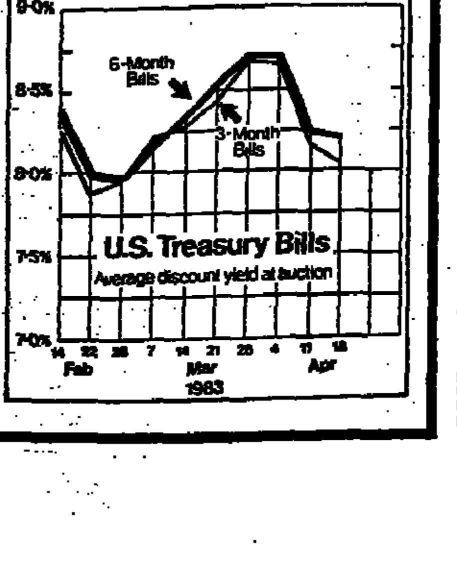
	April 19 Price	April 19 Yield	Prev Price	Prev Yield
9⅝ 1985	100[illegible]	9.51	100[illegible]	9.40
10½ 1990	101[illegible]	10.27	101[illegible]	10.17
10⅝ 1993	103[illegible]	10.34	103[illegible]	10.27
10⅜ 2012	99[illegible]	10.43	100[illegible]	10.22

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	77–22	78–17	77–21	78–25
U.S. Treasury Bills (IMM) $1m points of 100%				
June	91.77	91.87	91.74	91.96
Cert Deposit (IMM) $1m points of 100%				
June	91.15	91.25	91.09	91.29
LONDON				
Three-month Eurodollar $1m points of 100%				
June	90.90	91.03	90.89	91.01
20-year Notional Gilt £50,000 32nds of 100%				
June	105–12	106–06	105–12	106–06

LONDON COMMODITY MARKETS

	April 19	Prev
Silver (spot fixing)	784.90p	789.15p
Copper (cash)	£1082.50	£1071.00
Coffee (May)	£1775.50	£1773.50
Oil (spot Arabian light)	$28.77	$28.72



EUROPE

Selectivity defeats consistency

CONFRONTED by a euphoric Wall Street, but at the same time by persistent weakness in European currencies against the dollar, the bourses yesterday were unable to orient themselves in any clear direction. Within markets which managed a firmer overall tone, stocks showing setbacks were prominently to be found, while the weak also embodied the strong.

The best of the day's gains went to Frankfurt, where the Commerzbank index added 6.6 to 938.0, its highest since June 1961, and the FAZ indicator reached another all-time peak at 313.25, up 2.52. But both have the drawback of being calculated at midsession, after which an element of profit-taking set in.

The lack of consistency was best illustrated in the engineering sector, which showed Linde as the day's best feature with a DM 22 leap to DM 385 after DM 388, but Deutsche Babcock shed DM 2.50 to DM 184 and GHH DM 4.50 to DM 166.50.

Possibly the day's steepest plunge occurred in Brussels, where an unidentified Flemish consortium was believed to have sold a sizeable stake in Vielle Montagne, taking the non-ferrous metals producer BFr 770 lower to BFr 3,400, though earlier the price had been marked down by more than BFr 1,000.

The market was lower on balance but a gain of BFr 10 was achieved by steelmaker Cockerill-Sambre at BFr 115 and BFr 16 for Arbed at BFr 1,218.

Publisher Elsevier charted an erratic course in Amsterdam, first extending Monday's gains but later correcting downward to end Fl 10 off at Fl 315. Profit-taking also affected Dutch internationals, while investment fund Rolinco was among the few to end to the good, up Fl 1.80 at Fl 275.70.

Domestic bonds were narrowly weaker ahead of subscriptions for a government tender over 10-year, 8 per cent notes, which were priced at par and attracted Fl 1.2bn.

Higher money market rates were an upsetting factor there and in Paris, where a mixed showing for stocks included a FFr 23 gain in Moët-Hennessy on its dividend increase, to close at FFr 1,035.

In lower stores, Galeries Lafayette eased FFr 2 to FFr 142.50 after reporting flat parent company profits. Banks and financials were favoured.

Insurers were sought in Zurich, providing gains of SwFr 25 apiece for Swiss Re at SwFr 7,225 and Winterthur at SwFr 2,925. Elsewhere Oerlikon-Böhrle shed SwFr 30 to SwFr 1,370 ahead of results released after the close, which emerged sharply lower with a halved payout.

Stocks tended higher overall while domestic bonds also held up on expectations of lower inflation.

A Milan rally went some way to offsetting two days of acute losses. Speculative buying allowed Immobiliare Roma to recover a strong L142 to L890, while Fiat added L52 to L2,801 and Italcementi L2,800 to L41,200.

Stockholm attracted foreign demand for Alfa-Laval, up SKr 18 at SKr 438, and Ericsson, SKr 10 ahead at SKr 428. Fagersta, by contrast, fell by that amount to SKr 325.

A poor Madrid session featured losses of Pta 6 each for Banco Bilbao at Pta 237, Central at Pta 296, Exterior at Pta 206 and Hispano at Pta 221. Viscaya succeeded in improving Pta 5 to Pta 366.

SOUTH AFRICA

Golds pause

A PAUSE in the bullion price prompted light Johannesburg selling and heavyweight losses ranging to R1.50 for Libanon at R43.

Platinums were narrowly mixed and coal mines in demand. Mining financials showed losses of R5 for Johnnies at R151 and 18 cents for De Beers at R9.45.

FAR EAST

Tokyo takes a step backward

A SHARP reversal brought losses yesterday to Tokyo blue chips and low-priced large asset issues alike. But, with an abundance of healthy forward indicators for the Japanese economy, the move was seen more as a lack of willingness to provide uninterrupted support at record levels rather than any deeply grounded reason for alarm.

The Nikkei-Dow Jones market average of 225 leaders came back 40.67 to 8,541.86 and the stock exchange index 1.90 to 619.91. Volume was light, however, at some 350m shares and was at its slackest in the afternoon when many investors preferred to wait for a clearer trend to develop. The average price of a share ticked up Y0.37 to a peak Y425.40.

Moreover, some areas showed impressive gains, among them securities houses and machine makers. Fuji Photo added Y30 to Y1,710, Nippon Oil Y12 to Y880, Nippon Electric Y6 to Y944 and Victor Y50 to Y2,340.

But Toyota slipped Y20 to Y1,070, Takeda Y29 to Y800, Matsushita Electrical Y20 to Y1,370, Tokio Marine Y10 to Y515, Mitsui Mining and Smelting Y18 to Y571, Kawasaki Steel Y5 to Y156, Nippon Optical Y16 to Y709 and Kawasaki Heavy Industries Y5 to Y161.

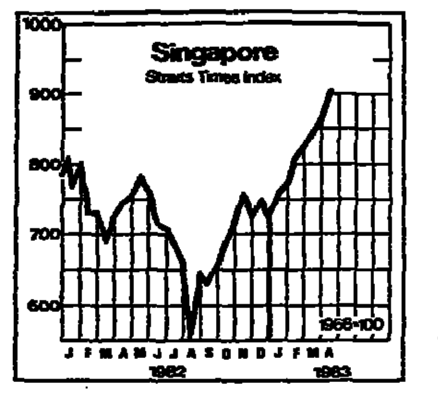
Hitachi lost Y17 to Y771, mainly because of the liquidation of margin buying positions. The exchange authorities later reported that the outstanding margin balance for all stocks on the Tokyo Osaka and Nagoya markets fell Y15.4bn last week to Y1,992.7bn, calming fears that the debt would exceed Y2 trillion (million million).

Pronounced weakness in the Hong Kong dollar against its U.S. counterpart again took its toll on stock values there, but an afternoon rally in the currency – later underpinned by one-point prime rate rises to 11½ per cent – allowed a 2.21 firmer finish in the Hang Seng index at 1,043.18.

Many leaders did not quite catch up, however, and Hongkong Bank ended 10 cents off at HK$8.50, Hongkong Land down two cents at HK$4.40, and Swire Pacific A 20 cents worse at HK$13.60.

The Taiwan share price index of 116 selected stocks jumped 26.3 to a record 694.6 and turnover reached T$3.4bn, the highest since the exchange was established in 1962. Brokers attributed the surge to low bank interest rates.

Selective Singapore dealings allowed the Straits Times industrial index to breach the 900 mark, ending 7.62 stronger at 906.89, but many of the active issues again showed little change.



AUSTRALIA

Pace quickens

NO SIGNS of tiring were evident as Sydney recorded its 14th consecutive gain: on the contrary, the pace quickened as the All Ordinaries index forged 13 points ahead to 587.1 on turnover worth A$29.18m, the highest this year.

Industrials led both in volume and value, with the sectoral index up 14 at 724.3, but energy and mining stocks were also well maintained. BHP gained 36 cents to A$8.10 ex dividend and Bridge Oil 20 cents to A$3.30.

Elsewhere Elders IXL was up 23 cents to A$3.35 and Westpac 10 cents to A$2.85.

Resources finished cautiously in Melbourne, however, with many off their highs. Brokers noted U.S. buying of BHP after its definitive agreement with General Electric on the sale of Utah International.

LONDON

A tumble back from the hurdle

EQUITY markets reacted more violently in London yesterday after having again failed to cross the psychological 700 barrier. The FT Industrial Ordinary index reached 696.6 at 10 am, but eventually sustained its largest one-day fall for over a month to close 9.8 down on the session at 685.2.

Broader-based measurements of the trend reacted from Monday's highs with the FT-Actuaries All-share 0.9 per cent lower at 437.46.

Wall Street's fourth consecutive record and sterling's renewed strength early yesterday gave markets the initial boost. But later, investors either lowered or completely withdrew their buying limits.

Gilt-edged securities flagged as sterling came back from its higher early levels to close nearly a cent down against the dollar and unchanged in its trade-weighted index..

Selling pressure was never substantial, but in markets again lacking significant buyers, it took a heavy toll on longer-dated stocks. Several high-coupon issues closed with falls of ¼ with losses tapering to around ⅛ among shorter maturities.

Rio Tinto-Zinc, after dropping 16p on Monday in the wake of Charter's sale of 9.1m RTZ shares, fell a further 12p to 580p, after 573p.

Gold shares mirrored the performance of the bullion price. Widespread profit-taking, mainly from Johannesburg and London, was followed by equally persistent selling from the U.S., and share prices closed at the day's lowest levels.

In a quiet Australian market, Kitchener Mining continued the recent rapid advance by moving up 10p to 94p for a three-day gain of 26p.

Share information service, Pages 30–31

FT

A FINANCIAL TIMES CONFERENCE

The FT World Gold Conference

–The Outlook for Gold & Silver

Lugano, Switzerland 22 & 23 June 1983

Over the last ten years the Financial Times has sponsored World Gold conferences whenever the outlook has suggested the value of a seminar devoted to examination of trends in the markets, prospects in the main producer countries and assessment of monetary aspects. To be chaired by Mr Robert Guy of Rothschilds and Mr Hubert Baschnagel of Swiss Bank Corporation this year's conference has attracted an extremely distinguished panel of speakers. For the first time silver will also be included.

Speakers will include:

Dr C L Stals
South African Reserve Bank
Mr Paul Zubler
Union Bank of Switzerland
Mr D Suskind
J Aron & Co/Goldman Sachs & Co
Mr Robert M Rubin
Drexel Burnham Lambert
Mr Rene Larre
Schneider SA
Mr U Kunze
Degussa AG
Dr Henry G Jarecki
Mocatta Metals Corporation
Mr John Forsyth
Morgan Grenfell & Co Ltd
Mr Meinhard Carstensen
Dresdner Bank AG
Mr Timothy Green
Consolidated Gold Fields
Mr Thomas Wolfe
Wolfe/Wire Inc
Mr T M Othman
Al-Saudi Banque

The FT World Gold Conference

A FINANCIAL TIMES INTERNATIONAL CONFERENCE
in association with
THE BANKER

☐ Please send me further details of 'The FT World Gold Conference'

To: Financial Times Limited, Conference Organisation, Minster House, Arthur Street, London EC4R 9AX.
Tel: 01-621 1355 Telex: 27347 FTCONF G

Name
Company
Address

Tel:
Telex:

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										
	14¼	AvcoCp	1.20	3.8	12	121	32¼	31½	31½	−⅜
	31½	Avco	pf3.20	5.1		2	63½	62½	62½	−1⅞
	23⅝	Avery	.90	2.2	14	278	41⅝	41	41	−⅜
	17¼	Avnet	s .50	1.4	24	2777	37	35½	35½	−1¼
	19⅛	Avon	2	6.4	11	947	31½	31¼	31¼	−¼
	16½	Axia	1.15	5.4	33	61	u21½	21⅜	21⅜	
	16½	Aydin	s		24	39	52¼	51¼	51⅞	−½
B-B-B										
	14¼	Bairnco	.50	1.6	10	108	32⅛	31⅞	31⅞	−⅛
	15	BkrIntl	.92	5.3	6	1817	17⅜	17	17⅜	+⅛
	15⅛	Baldor	.32	1.5	15	13	21⅝	21½	21½	−¼
	10¼	BaldU	s .88	8.8	3	7839	10⅛	d9⅝	10	−1⅛
51	33	BldU	pf2.06	6.8		86	32⅞	d30	30½	−5¼
	16⅞	BallCp	s1.04	3.2	10	74	33⅛	32½	32⅞	+⅜
	19⅝	BallyMf	.20	.9	6	2405	22⅝	22⅛	22⅛	−½
	24½	BaltGE	2.84	9.4	7	1187	30⅜	30	30⅛	
	30	Balt	pf84.50	11		z100	41¼	41¼	41¼	+2¼
	14¼	BanCal	1.20	3.7	16	106	33	32	32¼	−⅞
	5½	BanTex	.20	3.5	10	122	5⅝	5⅝	5⅝	−⅛
[illegible]										
62½	50½	ChNY	pf3.71e	6.7		20	55½	55½	55½	+1
32⅜	19	ChesVa	1.08	3.4	25	64	32	31¾	32	−⅛
47¼	30½	ChesPn	1.84	4.6	11	1011	40¼	39⅝	39⅞	
37⅜	12¼	ChiMlst				216	37⅞	36⅝	37¼	+⅛
76½	43¼	ChiMlw			47	100	68¼	66⅝	67⅜	+⅜
44⅛	26½	ChiMl	pf			4	42½	42½	42½	
17½	10⅞	ChiPnT				57	14⅛	14⅞	14⅛	−⅛
19⅞	12	ChkFull	.40	2.3	32	190	18	17	17⅛	−⅞
24⅝	11⅞	ChrisC	s		21	36	20⅞	20⅝	20⅝	−⅛
10⅛	7¼	ChCft	pf 1	10		2	9⅝	9⅝	9⅝	−¼
8	3⅞	Christn				63	7	6⅞	6⅞	−¼
15⅞	7⅞	Chroma				311	13⅛	13	13⅛	−¼
61	42	Chrm	pf 5	9.3		11	54⅛	54	54	−¼
21½	4⅞	Chrysl			21	5115	20⅞	20¼	20½	−¼
11⅞	1¼	Chry	wt			827	10⅞	10⅛	10½	+⅛
25⅞	5⅛	Chrys	pf			800	25½	24	25	−⅞
42⅞	25	ChurCh	1	2.4	12	381	41⅜	40⅞	41	−⅛
41	28	CinBell	2.72	8.0	8	79	34⅛	33⅞	34	+⅛
20	15⅞	CinGE	2.16	12.	7	1900	18⅛	18	18⅛	+⅛
34	26	CinG	pf 4	12.		z300	32½	32	32½	+1½
[illegible]										
26⅞	19⅞	DEI	2.28	8.6	6	13	26⅝	26½	26⅝	
3⅝	1⅞	Dlvrsln				25	3⅛	3⅛	3⅛	
16⅞	11⅞	DrPepp	.84	6.3	23	615	13½	13¼	13¼	−⅛
22⅛	5	Dome	g .10			x1987	19⅛	18½	18⅝	−¼
21	12⅛	Donald	.66	3.5	61	13	19⅛	19	19	+⅛
24⅞	8⅞	DonLJ	.24	1.1	16	587	23⅛	21⅞	22½	−1
71⅞	38½	Donnly	1.60	2.2	15	175	u73⅝	71½	73	+1⅛
44⅞	20	Dorsey	1.10	2.5		22	44¼	43⅞	43⅞	−⅛
32	17⅛	Dover	.70	2.4	13	1003	29⅛	28⅞	29¼	−⅛
32⅛	19⅞	DowCh	1.80	6.1	17	4480	29⅞	28⅞	28⅞	−½
45¼	17⅛	DowJn	s.60	1.3	31	159	45¼	44⅞	45¼	+⅜
14⅛	9⅛	Dravo	.50	4.3		104	11⅞	11⅝	11⅝	−⅛
24⅞	12⅛	Drexr	.80	4.9	7	1937	16⅛	16¼	16¼	
19⅞	14⅛	DrexB	2	11.		7	18⅝	18½	18½	
55⅞	24⅛	Dreyfus	.60e	1.1	8	40	53⅞	52½	53¼	−⅞
44⅞	30	duPont	2.40	5.5	12	2033	43⅝	43⅛	43½	
37	26	duPnt	pf3.50	10.		1	35	35	35	
47⅞	35⅛	duPnt	pf4.50	10.		62	44¼	43	43¼	−⅜
24	20¼	DukeP	2.28	9.7	8	781	23⅞	23½	23½	−⅛
71¼	55	Duke	pf8.20	12.		z450	71¼	70	70	−1
68	52	Duke	pf7.80	12.		z30	65½	65½	65½	−1
[illegible]										

A FINANCIAL TIMES SURVEY
WORLD BANKING

Part 1, 9th May 1983 Part 2, 16th May 1983

The Financial Times proposes to publish a Survey on the above. The provisional editorial synopsis is set out below:

PART 1

INTRODUCTION: The problems facing the world's banks have escalated rapidly over the past twelve months. Many of their domestic and international clients have run into difficulties and this has badly shaken confidence in the world banking system. Many banks are reviewing their international strategies after a decade of unprecedented foreign expansion.

Editorial coverage will also include:

World Economy — Central Banks — The International Interbank Money Markets — The International Agencies — The Oil Price and Oil Money Markets — Sovereign Risk Analysis — The Problem Countries — Europe's Banking System: Country profiles

PART 2

INTRODUCTION: The business of banking: a look at how banks are coping with the major changes in their operating environment. Increasing regulatory controls, rapidly changing customer demands, a deterioration in the economic climate, plus competition from new sorts of financial service companies are all combining to test the responsiveness of bank managements. In an industry noted for its traditional conservatism the banks are playing for high stakes.

Editorial coverage will also include:

Retail Banking — Correspondent Banking — Corporate Banking — Technology — Financial Services North America — Israel — Middle East — Asia and Pacific Basin — Caribbean — Latin America — Africa

For further information and advertising rates please contact:

RICHARD OLIVER or KAY CRELLIN
Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY
Tel: 01-248 8000 ext. 3238 Telex: 885033 FINTIM G

The size, contents and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

Continued on Page 27

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 28

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 26

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 28

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

CANADA

NETHERLANDS

DENMARK

AUSTRALIA

JAPAN (continued)

NORWAY

SPAIN

SWEDEN

AUSTRIA

BELGIUM/LUXEMBOURG

SWITZERLAND

FRANCE

GERMANY

HONG KONG

ITALY

SINGAPORE

SOUTH AFRICA

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

LONDON

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (105)

INT BANK & O'SEAS GOVT STLG ISSUES (1)
LOANS (1)
AMERICANS (2)
CANADIANS (1)
BANKS (1)
BREWERS (1)
BUILDINGS (4)
CHEMICALS (2)
DRAPERY & STORES (8)
ELECTRICALS (3)
ENGINEERING (6)
FOODS (1)
HOTELS (2)
INDUSTRIALS (2)
INSURANCE (3)
LEISURE (1)
MOTORS (5)
NEWSPAPERS (4)
PAPER (4)
PROPERTY (2)
SOUTH AFRICANS (1)
TEXTILES (1)
TRUSTS (16)
OIL & GAS (3)
PLANTATIONS (1)
MINES (7)

NEW LOWS (18)

BRITISH FUNDS (2)
Exch. 2½% 1987 — Treas. 10½% 1989 (£25 pd.)
BREWERS (4)
Buckley's Brew. — Young Brew. A.
Invergordon — Do. Non. Vtg.
CHEMICALS (1)
Anchor Chem.
ELECTRICALS (3)
Black (M.) — Immed. Business Systems
Security Centres
ENGINEERING (2)
Bronx. Eng. — Spirax-Sarco
FOODS (1)
Cadbury Schweppes
PAPER (1)
Ault & Wiborg
TEXTILES (2)
Manton Bros. — Stroud Riley Drummond
OILS (2)
Sceptre Res. — Tiber Energy

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Arlen Elec	341	+44
Barratt Dev	522	−12
Bellair Cosmetics	53	−12
Combined Tech	62	+3½
Exco	675	−30
Fobel	162	+27
Glaxo	980	+10
Grand Met	338	−7
ICI	440	+4
London & Liverpool	374	+4
Marinex	65	+7
RTZ	580	−12

MONDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Mon. close	Day's change
Security Cntrs	35	495	—
RTZ	29	592	−16
Glaxo	24	950	+35
Currys	23	334	+36
Electro - Prictv	22	245	−2
Comet	19	283	+18
BAT Inds	18	655	−20
LASMO	18	308	+23
Beecham	15	410	−7
BP	15	388	+18
Mettoy	15	44	+1
Mills and Allen	14	400	−15
Rugby Cement	14	112	−5
Cns Gold Flds	13	585	+12

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr 18	Apr 29	July 14	July 25
May 3	May 13	July 28	Aug 8
May 16	May 27	Aug 11	Aug 22

For rate indications see end of Share Information Service

Stocks dealt in for the call included London and Liverpool, Arlen Electrical, Harris Queensway, Marinex, Dunlop, Bifurcated Engineering, Mettoy, Marling Industries, Wearwell, British Mohair, John Brown, Turner and Newall, Ward White, Hollis Bros., and Polly Peck.

RISES AND FALLS

	Rises	Falls	Same
British Funds	—	93	6
Corpns. Dom. and Foreign Bonds	4	12	63
Industrials	183	436	720
Fin. and Props.	148	165	208
Oils	26	27	57
Plantations	5	2	15
Mines	64	31	58
Others	58	49	61
Totals	488	814	1,186

FINANCIAL TIMES STOCK INDICES

	April 19	April 18	April 15	April 14	April 13	April 12	year ago
Government Secs.	81.68	82.19	82.09	82.11	82.24	82.49	67.45
Fixed Interest	84.18	84.36	84.16	84.27	84.26	84.23	67.75
Industrial Ord.	685.2	695.0	696.5	688.9	687.1	687.7	562.6
Gold Mines	648.6	657.9	651.8	640.5	622.3	635.9	247.8
Ord. Div. Yield	4.55	4.52	4.53	4.61	4.64	4.64	5.56
Earnings, Yld.% (full)	9.25	9.18	9.22	9.34	9.40	9.39	11.12
P/E Ratio (net) (*)	13.12	13.23	13.18	13.02	12.93	12.96	11.29
Total bargains	24,663	25,612	27,085	25,167	23,274	24,304	15,476
Equity turnover £m.	—	253.81	248.98	217.72	233.75	254.73	116.69
Equity bargains	—	25,065	23,282	21,895	21,654	23,942	12,462
Shares traded (ml)	—	140.7	145.6	139.2	144.9	177.1	87.4

10 am 696.6. 11 am 694.5. Noon 690.1. 1 pm 688.0.
2 pm 687.4. 3 pm 686.2.

Basis 100 Govt. Secs. 16/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/58. SE Activity 1974.

Latest Index 01-246 8026.

*Nil = 12.25.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	82.75 (11/4)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	84.36 (18/4)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	696.5 (15/4)	598.4 (12/1)	696.5 (15/4/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	531.5 (29/4)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	April 18	April 15
—Daily Gilt Edged Bargains	183.8	217.1
Equities Bargains	162.4	150.8
Equities Value	513.0	503.2
5-day Avrge Gilt-Edged Bargains	193.6	196.1
Equities Bargains	150.1	145.7
Equities Value	488.7	471.5

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Tue April 19 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Mon April 18 Index No.	Fri April 15 Index No.	Thur April 14 Index No.	Wed April 13 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (206)	474.14	−1.2	8.29	3.63	15.22	[illegible]	[illegible]	475.38	472.81	365.49
2	Building Materials (23)	448.34	−1.8	9.36	4.30	12.96	452.52	[illegible]	447.25	[illegible]	322.73
3	Contracting, Construction (30)	804.26	−1.1	11.21	4.25	10.77	812.97	813.96	799.50	797.28	[illegible]
4	Electricals (33)	1777.84	−1.4	6.71	1.96	19.17	[illegible]	1797.51	[illegible]	1774.87	[illegible]
5	Engineering, Contractors (10)	482.37	−0.8	14.91	6.20	8.25	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	Mechanical Engineering (64)	216.78	−1.1	10.85	5.31	11.46	219.23	[illegible]	[illegible]	[illegible]	[illegible]
8	Metals and Metal Forming (11)	181.58	−0.9	10.59	6.32	11.58	[illegible]	182.12	[illegible]	[illegible]	161.78
9	Motors (18)	182.15	−1.1	0.47	5.89	—	[illegible]	[illegible]	[illegible]	182.12	[illegible]
10	Other Industrial Materials (17)	457.56	−0.8	7.12	4.97	18.45	[illegible]	[illegible]	[illegible]	[illegible]	367.11
21	CONSUMER GROUP (201)	436.79	−1.2	9.77	4.15	12.42	442.12	[illegible]	437.11	[illegible]	[illegible]
22	Brewers and Distillers (23)	456.70	−2.2	11.13	4.78	10.97	[illegible]	[illegible]	457.32	[illegible]	[illegible]
25	Food Manufacturing (21)	345.35	−0.7	13.48	5.54	8.66	347.83	[illegible]	[illegible]	347.99	272.30
26	Food Retailing (14)	862.65	−1.6	7.42	2.83	16.95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

NEW YORK AND CANADA

NEW YORK Indices

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 27

NEW YORK

COMMODITIES AND AGRICULTURE

U.S. warns on share of farm trade

By Nancy Dunne in Washington

THE NEXT round of talks over the U.S.-EEC farm export dispute will be held on the "high technical level" on April 29 in Washington.

Mr Claude Villain, Director General for Agriculture for the EEC, will lead the European delegation on his return from a meeting of major wheat exporting countries in Natchez, Mississippi, April 27-28.

The threats of trade war have subsided here since the last set of talks on March 18 outside of Washington. Mr John Block, the Agriculture Secretary, claims there will be no trade war, but he warns that the U.S. will by some means hold on to its agriculture trade share.

On Monday before speaking to government officials and businessmen at the World Trade Conference in Chicago, he said the U.S. wil compete with subsidised foreign produce, even if it means dumping surplus on foreign markets.

At the meeting of grain exporters in Mississippi, the U.S. is expected to urge its rivals to follow the American example, set with its payment-in-kind programme and reduce production. It is likely to find some support from Canada, where the wheat board has recommended that farmers reduce 1983 wheat acreage.

Meanwhile, the U.S. Department of Agriculture has estimated a weakening for the eight consecutive month in world coarse grain trade, due mainly to bumper crops in importing countries.

Actual world coarse grains trade for 1982-83 is now seen at only 88.3m tonnes, 15.2m less than the previous year. The department said the European Community would reduce its imports by 1m tonnes, to 7.5m, or half the 1978-79 level. The department attributed the decline to increased internal production and the large gap in price between imported and domestic feed grains.

Pig farmers welcome EEC exports boost

BY RICHARD MOONEY

A SHARP rise in EEC pigmeat export subsidies which could open up substantial markets in Eastern Europe was given a warm welcome by the UK National Farmers' Union yesterday.

The EEC Commission has announced a 60 per cent rise in export restitutions which will enable EEC supplies to be marketed £90 a tonne cheaper in the coming season. "This is very good news," the NFU said. "It should provide sufficient incentive for exporters to seek new outlets for Common Market-produced pork and bacon."

The UK exports about 50,000 tonnes of pigmeat a year, representing 3.3 per cent of total production. This level should increase as a result of the EEC decision, the NFU official said, but he would not put a figure on the expected rise.

Mr Jim Blanchard, chairman of the NFU pigs committee, described the decision to raise export restitutions as "a considerable step forward." But he saw it as only "the first of the required breakthroughs," in relieving the present depression in the British pig industry.

He said "Now we must persuade Mr Peter Walker, the Farm Minister, to remove the burden of meat inspection charges from the industry." He also wanted the Government to put money into improving UK processing plants and so attract extra EEC finance. Aid of between 8 and 25 per cent from the Government would qualify recipients for an injection from the EEC farm fund amounting to 25 per cent of development costs, he explained.

Mr Blanchard was also reluctant to estimate the increase in British pigmeat exports that might result from the increased subsidy. "Bigger UK exports would be nice," he said, "but any diversion of supplies away from the EEC market would be helpful."

In its latest International Market Review, published yesterday, the UK Meat and Livestock Commission estimated last year's EEC pigmeat exports at 220,000 tonnes, down 142,000 from 1981, and forecast little recovery this year.

This forecast was made before the new export subsidy had been announced but an MLC official said yesterday that a sizeable increase had been written into the Commission's calculations. Nevertheless he thought 1983 exports would be "somewhat bigger" than had been anticipated.

EEC production is forecast to rise 1.7 per cent to 10.41m tonnes this year while consumption is projected 2 per cent higher than in 1982.

The review forecasts a moderate rise in beef and veal production in 1983 following last year's 5 per cent decline to an estimated 6.62m tonnes—the lowest level since 1978. For 1983, a 5 per cent rise is forecast in the UK but only small increases are expected in other EEC countries and the Common Market total is projected to rise only 2 per cent to 6.76m tonnes.

A 1 per cent rise in EEC consumption of beef and veal is expected this year following last year's estimated 3 per cent decline. Once again the UK's rise is expected to be above the general level.

Chinese buying lifts copper price

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES rose strongly on the London Metal Exchange yesterday after reports of further buying by the Chinese.

The high grade copper cash price closed £21.5 higher at £1,082.5 a tonne.

There were varying estimates of the amount bought by the Chinese by traders. Some said that purchases yesterday equalled Monday's total of about 25,000 tonnes; others said buying interest from the Chinese had dried up at the higher levels. Nevertheless, the market remains highly nervous about the Chinese intentions.

Sustained heavy buying by China could virtually wipe out the present copper surplus, even though stocks in the LME warehouses are at the highest level for four years at more than 300,000 tonnes. However, late last year the Chinese bought at lower price levels and sold out a large proportions of their purchases later on when the market moved up. Recently, there have been reports of China buying copper and aluminium direct from Japan.

The uptrend in the London copper market was encouraged by the fall in sterling yesterday, although this was offset to some extent by the easier trend in gold. Meanwhile, U.S. producer Asarco said last night it was raising its domestic selling price for copper by 1.5 to 81.5 cents a pound.

Tin rallied on the Metal Exchange yesterday with the standard grade cash price closing £110 higher at £8,745 and three months quotation gaining £125 to £8,707.5.

As expected the Straits tin price in Penang fell by 10 cents to M$31.68 a kilo overnight, but London value were boosted by the easier trend in sterling and speculative covering of previous sales.

There was also believed to be some support buying by the buffer stock of the International Tin Council.

Portugal to import U.S. wheat

By Diana Smith in Lisbon

PORTUGAL expects to import 900,000 tonnes of wheat this year because of the severe drought in the southern Alentejo province where much of the wheat is grown.

According to Sr Basilio Horta, Agriculture Minister, the total 1983 wheat crop will be only 200,000 tonnes, a dramatic drop compared with last year's 450,000 tonnes, one of the best harvests. Unofficial estimates say that Sr Horta's figure may be excessively pessimistic.

Portugal is importing most of its grain from the U.S. with assistance from the Commodities Credit Corporation which in 1982 covered $450m (£290m) of purchases.

● SUBSIDIES TO help the Australian wheat industry maintain exports have been ruled out by John Kerin, Primary Industry Minister. He said that it is inappropriate for Australia to adopt subsidies to combat the practices of other wheat producing nations. The Australian Wheat Board has said that a grain price war between the EEC and the U.S. is destabilising the market.

● WORLD OILSEED production in the 1982-83 season is forecast at 180m tonnes, up 0.2m tonnes from last month's forecast and 6 per cent above last season's figure, said the U.S. Agriculture Department.

● PRODUCTION TARGETS for Pakistan's rice and cotton crops have been set. Cotton production is put at 5.2m bales (4.8m bales — 1982) and the rice target is 3.6m tonnes (3.4m tonnes—1982).

● SOUTH AFRICA'S maize crop estimate for 1982-83 has been lowered again. The new forecast is 4.35m tonnes down from its first estimate of 4.7m tonnes and sharply down on the 1981-82 production of 8.34m tonnes.

● U.S. CALVES and cattle on feed on April 1 totalled 9.15m head up 4 per cent from the 8.8m head a year earlier, said the U.S. agriculture department.

MARKET PROFILE

Platinum group revives

BY ROWENA WHELAN

INTEREST in the platinum-group metals has revived recently. The rally in gold and lower interest rates have helped stimulate speculative buying, while signs of an economic recovery in the U.S. have raised hopes in increased industrial demand for the metals.

Prices of palladium have advanced strongly in recent weeks, breaking through $100 an ounce level to reach more than $120.

Platinum's rise has been less dramatic; it is now more than $425 compared with $387 less than a month ago but like gold it is recovering steadily the dramatic losses suffered at the end of February.

Palladium—the cheaper sister metal—normally moves roughly in parallel with the platinum market, but occasionally it moves independently as is happening at present.

A shortage of refined metal following the closure of the U.S. Engelhard Corporation's refinery in Newark, last autumn has been one influence, according to dealers. But it is the role of the Soviet Union as the world's largest producer that is most crucial.

Last year the Soviet Union decided to cut supplies for 1983, possibly by up to 25 per cent, and revised its pricing structure to relieve pressure on the free market. It now sells a much larger proportion at controlled prices.

However, the present shortage of palladium could quickly disappear if prices rise to levels more acceptable to the Soviet Union. Meanwhile, dealers say that if prices rise too high consumers wil lswitch to substitutes, such as silver.

As industrial metals, both palladium and platinum are seen by investors as having the potential to outperform gold in the event of a significant upturn in the economy.

Signs of recovery in the U.S. car industry, one of platinum's major consumers, have helped its recent price rise. In a review* of the platinum industry, Hargreaves and Williamson, metals research team for brokers Shearson American Express, estimate a rise in demand from the U.S. car industry could boost U.S. consumption of platinum in 1983 by 10 to 13 per cent, leading to a world increase of 4 to 6 per cent.

However, from a statistical supply and demand projection the prospects for platinum price looks poor, according to the report, with world stocks estimated at 1.5m ozs, equal to about six months supply.

Estimates of world 1982 platinum production vary but Hargreaves and Williamson put the figure at 2.826m ozs, including 306,000 ozs of recycled metal, and forecast a decline to 2.6m this year.

Surpluses forced a sharp cut in platinum production last year. Rustenburg and Impala, the two major South African mining companies, both reduced output by a third from 2m ozs to 1.6m.

Soviet platinum sales are estimated at 400,000 ozs by Hargreaves and Williamson unchanged from 1982, but they are expected to rise to 450,000 next year.

Consumption is widely estimated at about 2.5m ozs a year, roughly equal to production, with Japan and the U.S. as major consumers. Hargreaves and Williamson estimate that Japan is the world's largest consumer, with 610,869 ozs out of a total of 1.07m ozs used last year going on jewellery. U.S. consumption is put at 675,171 ozs, with 392,242 ozs being used in the car industry.

Platinum is used as a catalytic gas converter in car exhaust systems to help meet the anti-pollution standards

As precious metals, platinum and palladium are affected by movements in gold but dealers are wary to ally these movements too closely. Some say platinum could regain its traditional premium over gold and that short-term influence of other precious metals is more important than general economic activity.

Mr Brian Nathan, managing director of Ayrton Metals, said the apparent interest of computer funds in precious metals over the past six months had pushed up the price of platinum.

Hargreaves and Williamson expects the price of platinum to move between $350 and $600 in the event of an uneven economic revival in 1983-84, but to rise rapidly to more than $600 an ounce if supplies from South Africa, the world biggest platinum producer, were disrupted.

As above-the-ground investment hoards are small, Hargreaves and Williamson says under such conditions the price of platinum could be driven up much faster than either gold or silver.

* The platinum industry: Prospects in Recovery.

ESTIMATED PLATINUM 1983 PRODUCTION/CONSUMPTION BALANCE (in ounces)

Production	1983
South Africa	1,610,000
Canada	230,000
USSR	400,000
Others	75,000
Recycled	300,000
Total	2,615,000
Consumption	
U.S.	762,000
Japan	1,112,400
Others	520,800
Total	2,395,200

Japan aid for coffee project

By Canute James in Kingston

JAMAICA is to start a new 3,500 acre coffee project, at a cost of $45m (£29m), to increase exports of its high grown Blue Mountain variety. The Japanese Government has given the island a loan of $35m to help finance the project.

All of Jamaica's high grown coffee is bought by Japanese importers, but export earnings in past years have been around $6m annually.

PRICE CHANGES

BRITISH COMMODITY MARKETS

BASE METALS

COPPER PRICES made further rapid progress on the London Metal Exchange as renewed influential buying took forward metal up to £1,122.5 before a close of £1,119.75. Physical demand and bear covering coupled with persistent buffer stock support ...

Nickel — Morning: Three months £3,115, 20, 25, 15, 20. Kerb: Three months £3,140. Afternoon: Three months £3,190, 3,200, 3,190, 85, 80, 90, 85, 86, 90, 85, 88, 87. Kerb: Three months £3,185, 90, 3,200, 3,195, 90, 3,200, 03, 3,200, 3,190, 95. Turnover: 2,168 tonnes.

* Cents per pound. ‡ M$ per kilo.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.65-28.90	+0.05
Iranian Light	28.00-28.05	—0.05
Arabian Heavy	26.10-26.40	—0.15
North Sea (Forties)	29.40-29.56	...
North Sea (Brent)	29.60	...
African Bonny L'ht	29.85-30.05	+0.02
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	302-305	—3.0
Gas oil	245-254	+2.5
Heavy fuel oil	162-164	—

GAS OIL FUTURES

A steady New York close brought the market in about $2.00 higher. In quiet conditions, prices steadied further, dipped back briefly and finally moved higher on the close, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
April	250.50	+4.50	251.00-48.00
May	249.00	+4.50	249.25-48.25
June	248.00	+5.00	248.25-44.75
July	247.00	+4.25	247.25-46.00
Aug	248.50	+4.25	248.50-45.50
Sept	250.50	+5.00	250.50-47.00
Oct	254.00	+5.50	251.50-48.00
Nov	255.00	+5.50	253.00
Dec	257.25	+3.00	255.25

Turnover: 3,326 (1,777) lots of 100 tonnes.

GOLD MARKETS

Gold fell $2 to $439-440 in the London bullion market yesterday. It opened at $441-442, and was fixed at $441½ in the morning and $439½ in the afternoon. The metal touched a peak of $441¼-442¼, and a low of $438¼-439¼, but weakened further in New York after the London close.

In Paris the 12½ kilo gold bar was fixed at FFr 104,500 per kilo ($442.09 per ounce) in the afternoon, compared with FFr 104,500 ($442.06) in the morning, and FFr 105,000 ($443.93) Monday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 34,795 per kilo ($441.02 per ounce), against DM 34,880 ($443.90), and closed at $440-441, compared with $443-444.

In Luxembourg the 12½ kilo gold bar was fixed at the equivalent of $441.50 per ounce, against $444.0.

In Zurich gold finished at $439-442, compared with $441-444.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
April	437.00-38.0	—4.850	441.00
May	438.00-40.0	—4.350	—
June	441.80-42.0	—4.750	446.50-40.6
July	444.00-45.7	—4.400	—
August	448.50-49.8	—4.500	453.30-51.7
Sept	451.00-52.5	—4.400	—
Oct	454.50-56.0	—4.350	—

Turnover: 781 (836) lots of 100 troy ounces.

	April 19		April 18	
Gold Bullion (fine ounce)				
Close	$439-440	(£282-282¾)	$441-442	(£282½-283¼)
Opening	$441-442	(£281¾-282¼)	$443½-444½	(£284¼-285¼)
Morning fixing	$441.50	(£282.860)	$443	(£284.330)

EUROPEAN MARKETS

TIN

LEAD

ZINC

ALUMINIUM

NICKEL

WEEKLY METALS

SILVER

COCOA

COFFEE

Drexel Burnham Lambert. While a steadier pattern developed, commission house selling and dealer profit-taking restricted gains in a moderately active market.

GRAINS

POTATOES

RUBBER

WOOL FUTURES

454, 458, 457-454; June 457, 458, 459-456; Mar 468, 467, 468-466; May 476, 477, 479-475; Aug 486, 487, 486-485; Oct 492, 494, 492. Sales: 167.

SOYABEAN MEAL

The market opened £1 up in quiet conditions, reports T. G. Roddick. Stronger nearby cash markets and weaker sterling increased the gains.

	Yesterdy's close	+ or —	Business Done
	£ per tonne		
April	143.00-51.0	+1.50	148.00
June	145.10-45.4	+2.50	145.20-42.80
August	146.60-48.9	+2.40	147.00-44.20
October	151.50-51.7	+2.40	151.50-48.50
Dec	157.50-57.9	+2.80	157.00-56.50
Feb	161.00-62.5	+2.75	159.80
April	161.50-62.8	+2.80	—

Sales: 128 (244) lots of 100 tonnes.

SOYABEAN OIL—Prices opened slightly higher and remained at opening levels. Close (U.S. $ per tonne): April 415.00, 435.00, untraded; June 433.50, 435.00, 433.00; Aug 441.00, 447.00, untraded; Oct 451.00, 480.00, untraded; Dec 458.00, 470.00, untraded; Feb 468.00, 481.00, untraded; April 478.00, 495.00, untraded. Sales: 9 (0) lots of 25 tonnes.

INDICES

FINANCIAL TIMES

Apr. 18	Apr. 15	M'th ago	Y'ar ago
270.39	270.88	267.71	243.51

(Base: July 1 1952=100)

REUTERS

Apr. 19	Apr. 18	M'th ago	Y'ar ago
1751.5	1743.6	1757.5	1599.0

(Base: September 18 1931=100)

MOODY'S

Apr. 18	Apr. 15	M'th ago	Y'ar ago
—	1041.6	1032.2	1118.7

(December 31 1931=100)

DOW JONES

Dow Jones	Apr. 18	Apr. 15	Month ago	Year ago
Spot	142.35	140.99	137.32	411.62
Fut'rs	—	146.56	145.72	422.70

(Base: December 31 1974=100)

SUGAR

LONDON DAILY SUGAR—Raw sugar £110 (£105) a tonne cif April-May-June shipment. White sugar £141 (£140).

COTTON

MEAT/FISH

AMERICAN MARKETS

NEW YORK, April 18

BECAUSE of the present time difference between the U.S. and Europe, this edition carries American market prices a day late. Normal services will resume on April 25.

NEW YORK

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	High	Low	Prev
May	7.34	7.40	7.04	6.99
July	7.76	7.78	7.42	7.37
Sept	8.11	8.13	7.84	7.77
Oct	8.38	8.40	8.10	8.03
March	9.28	9.30	9.03	8.98
May	9.56	9.56	9.32	9.27
July	9.75	9.75	9.55	9.55
Sept	9.96	9.95	9.95	9.80

CHICAGO

LIVE CATTLE 40,000 lbs, cents/lb

	Close	High	Low	Prev
April	70.77	71.90	70.65	72.12
June	68.55	69.35	68.50	69.50
Aug	66.65	67.25	66.55	67.47
Oct	63.05	63.50	63.00	63.40
Dec	63.55	63.65	63.25	63.50
Feb	63.02	63.05	62.85	62.70

LIVE HOGS 30,000 lbs, cents/lb

POSITIVE

That's BTR

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99¼	98¼	Treasury 9¼pc '83	99¾	....	9.27	10.06
102¼	100¼	Exch. 13½pc '83	101¾xd	−⅛	13.25	10.17
99¼	98¼	Exch. 10pc 1983	99⅞	−⅛	10.01	10.12
97¼	96¼	Funding 5½pc '82-84‡‡	96⅞	−⅛	5.68	9.93
101¼	99½	Exch. 11¼pc 1984	100⅞	−⅛	11.15	10.06
104¼	102½	Exchequer 14pc 1984	103¾xd	−⅛	13.49	10.30
94¼	92½	Exch. 3pc 1984	94½	−¼	3.17	8.02
102¼	100⅝	Treasury 12pc 1984	102¼	−⅛	11.74	10.21
107¼	105⅝	Treasury 15pc 1985	106⅞	−⅛	14.04	10.75
107	101⅞	Exch. 12pc Cnv. '85	104	−¼	11.54	9.64
90⅞	88⅝	Treasury 3pc 1985	90⅝xd	−⅛	3.31	7.97
102¼	99⅝	Treasury 11½pc 1985	101¼	−⅛	11.35	10.81
102	95	Treas 8¾pcCnv '85	97	−⅛	9.02	10.15
103⅝	100¼	Exch. 12¼pc 1985	102¼xd	−¼	11.92	11.01
102⅝	99¼	Exch. 11¾pc '86	102	−⅛	11.52	10.89
88½	85⅝	Treasury 3pc 1986	86⅝xd	−⅛	3.46	7.99
27¼	26	Exch. 10½pc Cv '86(£25pd)	26⅛	−⅛	10.49	10.44
103¼	100¼	Treasury 12pc '86	102½	−⅛	11.71	11.02
97½	94⅝	Treasury 8¾pc '84-86‡‡	95¼	....	8.92	10.26
112¼	103¾	Treas. 12¼pc '86 Cnv.	110¼	−¼	11.06	8.37
109¼	105½	Exch. 14pc 1986	108½xd	−⅛	12.90	11.02
107¼	103⅝	Exch. 13¼pc 1987	106½	−⅛	12.44	11.06
84¼	81⅝	Exchequer 2½pc 1987	81⅝	−⅛	3.06	8.15
100¼	95⅞	Exch. 10½pc 1987	98¼	−¼	10.65	10.94
99	29¼	Exch. 10½pc 1987A	98⅛	−⅛	10.67	11.00
93¼	89⅝	Funding 6½pc '85-87‡‡	89⅝xd	−⅛	7.27	9.75
81⅝	81⅛	Treasury 3pc 1987	81⅝	−⅛	3.68	8.23
104⅝	99⅞	Treas 12pc 1987	103¼xd	−⅛	11.64	11.12
93¼	89⅞	Treasury 7¾pc '85-88‡‡	90½	....	8.56	10.31

Five to Fifteen Years

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
101½	95½	Exch 10½pc '88	96½xd	−⅛	10.82	11.28
81½	75¼	Transport 3pc '78-88	80⅛	−⅛	3.78	7.95
96½	90¼	Treas. 9½pc '88	92¾xd	−⅛	10.22	11.26
104⅝	95¼	Treasury 11½pc 1989	101½	−⅛	11.53	11.57
25⅛	24⅛	Treas 10½pc '89 (£25pd)	24¾	−⅛	10.96	11.47
83¼	77½	Treasury 5pc '86-89	78¼	−⅛	6.39	9.59
110¼	103	Treasury 13pc 1990‡‡	110	−⅛	12.9	11.54
108¼	101¼	Exch. 12½pc 1990	105¼	−⅛	11.98	11.57
91	86¼	Treasury 8¼pc '87-90‡‡	90	−⅛	9.46	10.87
104¼	97	Treasury 11¾pc 1991	104⅛	−½	11.64	11.56
83	75¼	Funding 5¾pc '87-91‡‡	77¼	−⅛	7.46	10.04
103	95⅞	Exch. 11pc 1991	98¼xd	−⅛	11.19	11.31
111	102	Treasury 12¾pc '92‡‡	110¼	−⅛	11.89	11.42
98¼	88¼	Treasury 10pc 1992	95⅞	−⅛	10.54	11.02
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked & Variable Rate

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

LOANS—Continued

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, H.P. & LEASING

[illegible]

BANKS—Continued

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

JAPANESE INSIGHT

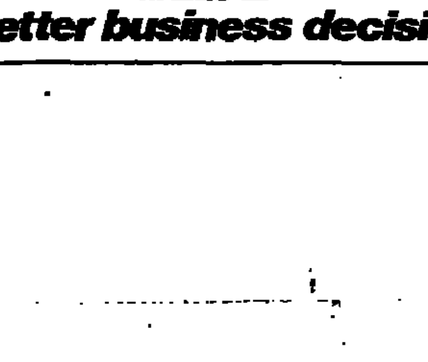
Japanese industrialists are noted for their discerning and exhaustive searches for ideal locations when setting up in the UK.

Forward looking Hoya Lens UK Ltd on the Wrexham Industrial Estate, produce a range of ophthalmic lenses. They were the first Japanese manufacturer to open a plant in Clwyd. That was over two years ago.

They have found a workforce as good as any in Japan plus all the advantages of this conveniently situated location, with superb communication networks and financial incentives equal to the best available in mainland GB.

If you have an eye to the future, Clwyd is worth a closer look.

Talk to Wayne Morgan, County Industrial Officer, Clwyd County Council, Shire Hall, Mold, Clwyd. Tel: Mold (0352) 2121. Telex 61454.



"We are delighted with our factory and our location... with its close proximity to major UK markets and ample room for expansion"

John Brazier, General Manager, Hoya Lens UK Ltd.

Clwyd WALES

–a better business decision

INDUSTRIALS—Continued

INSURANCES

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

International Financier
DAIWA SECURITIES

MINES—Continued

Central African

Australians

Tins

Miscellaneous

NOTES

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

OPTIONS

3-month Call Rates

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 35

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling eases after firmer start

Sterling opened firm, but lost ground yesterday afternoon to finish weaker on the day. Its index at the close remained the same as Monday's close at 83.8 although a later calculation would probably have shown a small decline. Sterling's weaker trend followed the recent sharp rise with sentiment still underpinned by hopes of a stable oil price.

The dollar was also weaker after a firm start with the market showing little true inclination one way or the other.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.4540. March average 1.4902. Trade weighted index 83.8 against 84.1 at noon and 84.5 in the morning and compared with 83.8 on Monday and 92.8 six months ago. Sterling has climbed steadily on hopes of a period of oil price stability following the acceptance of price proposals by BNOC's major customers.

Sterling was well bid in the morning, touching a high of $1.57 and DM 3.86 against the dollar and D-mark respectively before finishing at $1.5515-1.5525, a loss of 95 points from Monday and DM 3.81 compared with DM 3.8325. It was also lower against the Swiss franc at SwFr 3.2075 from SwFr 3.2150, FFr 11.41 against FFr 11.51 and Y368½ from Y371¾.

DOLLAR — Trade-weighted index (Bank of England) 122.9 against 124.0 six months ago. The dollar has been firm during a period of uncertainty about oil prices and the recent upheaval in the EMS. U.S. interest rates have not fallen as once expected, and although better money supply figures have led to renewed hopes, future trends remain rather obscure.

The dollar closer at DM 2.4525 after a high of DM 2.4610 compared with DM 2.4595 on Monday. It also slipped against the yen to Y237.3 from Y237.85 and FFr 7.3525 from FFr 7.3725. It was firmer against the Swiss franc however at SwFr 2.0825 from SwFr 2.0580.

D-MARK — Trading range against the dollar in 1983 is 2.4950 to 2.3320. March average 2.4102. Trade-weighted index 129.9 against 16.6 six months ago. German economic strength and low inflation compared with many of its neighbours have once again caused strains within the EMS. The latest realignment gives the D-mark room for appreciation as it is currently close to the bottom of the system.

The D-mark improved against the dollar helped by increased intervention from the Bundesbank. It was estimated that the central bank bought up to DM 200m on the open market, while DM 29.65m were purchased when the dollar was fixed at DM 2.4503, compared with DM 2.4508 on Monday. In early trading the U.S. currency touched a peak of DM 2.46. The Dutch guilder rose to DM 88.80 per 100 guilders from DM 88.77, but other EMS currencies were either unchanged or lost ground to the D-mark. Sterling rose to DM 3.8270 from DM 3.8150, but weakened later in the day.

JAPANESE YEN — Trading range against the dollar in 1983 is 242.25 to 226.80. March average 238.20. Trade-weighted index 145.9 against 128.2 six months ago. The yen's weaker performance against the dollar has discouraged the authorities from making the long awaited discount rate cut. A reduction has been called for to stimulate the economy, but may have to wait for lower U.S. interest rates.

The yen remained depressed against the dollar in Tokyo, with the U.S. currency rising to Y238.25 from Y237.10, after opening at Y238. It traded within a very narrow range of Y237.85 to Y238.35. Sterling met with some selling pressure as operators moved back into the yen after the pound's recent rise. One Japanese brokerage house predicted a decline of the dollar to around Y220 by the end of August on economic recovery as world recovery from recession gathers pace, while Japan is also expected to benefit from the effects of lower oil prices.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 19	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.3662	45.0824	+1.61	+0.49	±1.5430
Danish Krone ...	8.04412	8.03337	−0.13	−1.25	±1.6419
German D-Mark	2.21515	2.26282	+2.15	+1.03	±1.0567
French Franc ...	6.79271	6.78625	−0.10	−1.22	±1.4018
Dutch Guilder ...	2.49587	2.54732	+2.06	+0.94	±1.4941
Irish Punt	0.71705	0.716145	−0.13	−1.25	±1.6696
Italian Lira	1386.78	1347.51	−2.83	−2.83	±4.1463

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Apr. 19	£	$		£ Note Rates
Argentina Peso..	111,197-111,397	71,480-71,530	Austria...........	26.80-27.10
Australia Dollar..	1.7895-1.7915	1.1505-1.1510	Belgium..........	76.45-77.20
Brazil Cruzeiro ..	673.0-677.0	432.29-434.45	Denmark..........	13.54-13.67
Finland Markka..	8.4125-8.4365	5.4295-5.4315	France............	11.44-11.54
Greek Drachma..	129.120-132.396	83.60-83.90	Germany..........	3.81-3.85
Hong Kong Dollar	10.56½-10.60½	6.795-6.815	Italy	2250-2280
Iran Rial........	131.60*	84.95*	Japan...............	371-376
KuwaitDinar(KD)	0.4525-0.4535	0.29158-0.29155	Netherlands......	4.29½-4.33½
Luxembourg Fr..	75.80-75.90	48.86-48.88	Norway............	11.12-11.22
Malaysia Dollar..	3.5875-3.5975	2.3075-2.3095	Portugal...........	150-172
New Zealand Dlr.	2.3560-2.3610	1.5150-1.5175	Spain...............	203½-219
Saudi Arab. Riyal	5.3550-5.3685	3.4549-3.4510	Sweden............	11.66-11.76
Singapore Dollar	3.27-3.28	2.1030-2.1050	Switzerland......	3.20-3.23
Sth.African Rand	1.6915-1.6925	1.0900-1.0905	United States....	1.55-1.57
U.A.E. Dirham....	5.7000-5.7145	3.6715-3.6735	Yugoslavia........	124½-141

*Selling rates.

CURRENCY MOVEMENTS

Apr. 19	Bank of England Index	Morgan Guaranty Change %
Sterling..................	83.8	−37.4
U.S. dollar..............	122.9	+12.2
Canadian dollar.......	90.3	−17.7
Austrian schilling.....	121.1	+30.2
Belgian franc...........	94.1	−1.6
Danish kroner..........	84.1	−10.1
Deutsche mark.........	129.9	+57.6
Swiss franc..............	151.0	+106.9
Guilder....................	118.0	+25.9
French franc............	70.4	−23.0
Lira.........................	52.0	−59.3
Yen.........................	145.9	+40.1

Based on trade weighted changes from Washington agreement December 1971. Bank of England index (base average 1975=100).

CURRENCY RATES

April 19	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.692735	0.591738
U.S. $	8½	1.08226	0.925111
Canadian$...	9.49	*	1.14189
Austria Sch	3¾	18.6473	15.9006
Belgian F ...	10	52.8725	45.0824
Danish Kr ...	8½	9.43514	8.03337
D mark	4	2.65186	2.26282
Guilder	3½	2.98650	2.54732
French F.....	9½	7.95678	6.78625
Lira	17	1579.56	1347.51
Yen	5½	257.794	219.700
Norwgn Kr...	9	7.74032	6.59747
Spanish Pta	—	147.317	125.654
Swedish Kr	8½	8.10992	6.91687
Swiss Fr	4	n.a	1.90161
Greek Dr'ch	20½	n.a.	77.3844

*C$/SDR rate for April 18: 1.33821.

THE POUND SPOT AND FORWARD

April 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5600-1.5700	1.5515-1.5525	0.19-0.14c pm	1.27	0.40-0.35 pm	0.97
Canada	1.9200-1.9390	1.9210-1.9220	0.15-0.05c pm	0.62	0.42-0.32 pm	0.77
Nethlnd.	4.28-4.32½	4.28½-4.29¼	2⅛-1⅞c pm	5.25	5¾-4¾ pm	4.86
Belgium	75.70-76.50	75.80-75.90	5c pm-5 dis	—	5-15 dis	−0.53
Denmark	13.50-13.61	13.51-13.52	1½-2½ore dis	−1.89	4½-5¾ dis	−1.50
Ireland	1.2000-1.2140	1.2020-1.2035	0.51-0.64p dis	−5.74	1.33-1.52dis	−4.74
W. Ger.	3.80-3.86	3.80½-3.81½	2½-1¾pf pm	5.90	5¾-4¾ pm	5.25
Portugal	151.25-153.75	151.50-152.50	380-140c dis	−70.26	670-2270dis	−38.68
Spain	211.00-212.80	211.30-211.50	145-285c dis	−11.64	425-580 dis	−9.60
Italy	2263-2282	2264-2266	8-11lire dis	−5.03	32-36 dis	−6.00
Norway	11.08-11.18	11.08-11.09	2⅝-3⅛ore dis	−2.84	6⅞-7⅞ dis	−2.66
France	11.40-11.50	11.40½-11.41½	2-3c dis	−2.63	8¾-9¾ dis	−3.24
Sweden	11.62-11.72	11.62½-11.63½	½-1½ore dis	−0.77	1¾-2½ dis	−0.73
Japan	367½-372½	368-369	1.45-1.25y pm	4.40	3.70-3.50 pm	3.91
Austria	26.75-27.00	26.75-26.80	13⅞-11¾gro pm	5.60	36½-29¾ pm	4.80
Switz.	3.19½-3.23	3.19¾-3.20¾	2-1½c pm	6.56	5-4½ pm	5.93

Belgian rate is for convertible francs. Financial franc 76.30-76.40. Six-month forward dollar 0.59-0.54c pm. 12-month 0.73-0.63c pm.

THE DOLLAR SPOT AND FORWARD

April 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5570-1.5700	1.5516-1.5525	0.19-0.14c pm	1.27	0.40-0.35 pm	0.97
Ireland†	1.2865-1.2905	1.2885-1.2895	0.75-0.86c pm	6.66	1.78-1.65 pm	5.32
Canada	1.2386-1.2400	1.2385-1.2390	0.03-0.06c dis	−0.44	0.09-0.12dis	−0.34
Nethlnd.	2.7580-2.7660	2.7625-2.7645	0.95-0.85c pm	3.91	2.65-2.55 pm	3.76
Belgium	48.82-48.95	48.86-48.88	7-9c dis	−1.96	18-21 dis	−1.60
Denmark	8.6945-8.7175	8.7100-8.7175	1½-2½ore dis	−2.75	4½-5½ dis	−2.29
W. Ger.	2.4485-2.4610	2.4520-2.4530	1.00-0.95pf pm	4.77	2.60-2.55 pm	4.20
Portugal	97.30-98.80	97.80-98.30	250-975c dis	−74.92	450-1450dis	−38.73
Spain	135.90-136.45	136.00-136.10	110-160c dis	−11.90	325-400dis	−10.65
Italy	1468½-1462	1459¼-1460¼	8-9lire dis	−6.98	26-27 dis	−7.12
Norway	7.1400-7.1550	7.1450-7.1500	2-3ore dis	−4.20	6-7 dis	−3.64
France	7.3450-7.3750	7.3500-7.3550	2.10-2.40c dis	−3.67	7.75-8.25dis	−4.35
Sweden	7.4880-7.4960	7.4900-7.4950	1-1½ore dis	−2.00	3-3½ dis	−1.73
Japan	237.10-238.30	237.25-237.35	0.64-0.59y pm	3.11	1.75-1.67 pm	2.88
Austria	17.21½-17.28½	17.24½-17.25¼	6.40-5.60gro pm	4.17	17.00-14.50pm	3.65
Switz.	2.0525-2.0665	2.0620-2.0630	0.90-0.85c pm	5.09	2.60-2.55 pm	4.99

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial francs 49.15-49.25.

EXCHANGE CROSS RATES

Apr. 19	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.552	3.810	368.5	11.41	3.203	4.288	2265.	1.922	75.85
U.S. Dollar	0.644	1.	2.455	237.4	7.352	2.063	2.763	1459.	1.238	48.87
Deutschemark	0.262	0.407	1.	96.72	2.995	0.841	1.125	594.5	0.504	19.91
Japanese Yen 1,000	2.714	4.212	10.34	1000.	30.96	8.691	11.64	6147.	5.214	205.8
French Franc 10	0.876	1.360	3.339	323.0	10.	2.807	3.758	1985.	1.684	66.48
Swiss Franc	0.312	0.485	1.190	115.1	3.563	1.	1.339	707.3	0.600	23.68
Dutch Guilder	0.233	0.362	0.889	85.95	2.661	0.747	1.	528.3	0.448	17.69
Italian Lira 1,000	0.442	0.685	1.682	162.7	5.038	1.414	1.893	1000.	0.848	33.49
Canadian Dollar	0.520	0.808	1.983	191.8	5.938	1.667	2.231	1179.	1.	39.47
Belgian Franc 100	1.318	2.046	5.023	485.8	15.04	4.222	5.653	2986.	2.533	100.

FINANCIAL FUTURES

Active trading

Gilt trading was more active on the London International Financial Futures Exchange yesterday, with almost all activity concentrated in the June month. The market opened at 106-105, only $\frac{1}{32}$ lower than the previous close of 106-06. This was around the peak of the day, with the price declining to finish at the day's low of 105-12.

Lack of any economic news brought about some profit taking and the easier trend was reinforced by sterling's decline on the foreign exchanges. Futures trading also reflected movements in the cash market, where prices of long dated stocks were nearly £1 lower. Cash prices tended to drift down throughout the day, with investors reluctant to commit themselves until a definite trend has been established.

Volume in the short sterling interest rate contract also increased substantially, and once again prices moved down after both June and September had opened at the high of the day. June began trading at 90.39, slightly above the previous close of 90.37, and finished at the low of 90.24, after trading 848 lots. September was also quite active, trading 202 lots, with prices tending to mirror the near month, opening at a peak of 90.50, and closing at the day's low of 90.36, 13 points lower than the previous close.

Eurodollar volume of 2,221 contracts was about double Monday's level, and nearly up to last week's high point of 2,491 on Friday. Like the sterling interest rate contracts the June price opened at the day's peak of 91.03, and closed at 90.90, only slightly above the low of 90.89. Chicago opened weaker, and prices also weakened on disappointment at the high Federal funds overnight rate of around 9 per cent.

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	77-29	78-17	77-25	78-25
Sept	77-12	78-00	77-07	78-07
Dec	76-30	77-17	76-26	77-25
March	76-18	77-02	76-15	77-11
June	76-06	76-25	76-06	77-00
Sept	76-00	76-17	76-00	76-23
Dec	75-23	76-05	75-23	76-15
March	—	—	—	76-08
June	—	—	—	—
Sept	—	—	—	—
Dec	—	—	—	—

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	91.76	91.87	91.74	91.86
Sept	91.46	91.51	91.42	91.58
Dec	91.25	91.28	91.22	91.36
March	91.06	91.10	91.04	91.16
June	90.85	90.87	90.83	90.96
Sept	90.69	90.69	90.68	90.76
Dec	90.52	90.52	90.52	90.59
March	90.34	90.34	90.34	90.41

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	91.12	91.25	91.08	91.29
Sept	90.78	90.91	90.75	90.93
Dec	90.50	90.54	90.49	90.61

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	90.57	90.69	90.53	90.74
Sept	90.28	90.37	90.26	90.45
Dec	90.02	90.07	90.01	90.14
Feb	—	—	—	—
March	89.86	89.86	89.84	89.88

STERLING (IMM) Se per £

	Latest	High	Low	Prev
June	1.5475	1.5565	1.5465	1.5585
Sept	1.5455	1.5565	1.5430	1.5580
Dec	1.5470	1.5500	1.5440	1.5570
March	1.5500	1.5500	1.5440	1.5570
June	—	—	—	—
Sept	—	—	—	—

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	70-27	71-12	70-23	71-17
Sept	70-06	70-20	70-00	70-26
Dec	69-20	—	69-14	70-08
March	69-03	69-14	69-00	69-22
June	68-30	69-01	68-21	69-07
Sept	68-13	68-13	68-10	68-24
Dec	67-26	68-03	67-26	68-11
March	—	—	—	—
June	—	—	—	—
Sept	—	—	—	—
Dec	—	—	—	—

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	90.90	91.03	90.89	91.01
Sept	90.62	90.73	90.60	90.72
Dec	90.35	90.45	90.35	90.46
March	90.13	90.25	90.13	90.25
June	90.00	90.00	90.00	90.05

Volume 2,221 (1,094)
Previous day's open int 3,825 (3,698)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
June	90.24	90.39	90.24	90.37
Sept	90.36	90.50	90.36	90.49
Dec	90.25	90.35	90.25	90.40
March	90.20	90.25	90.20	90.33
June	90.18	90.19	90.18	90.18

Volume 1,112 (494)
Previous day's open int 3,469 (3,458)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
June	105-12	106-05	105-12	106-06
Sept	105-29	105-29	105-29	105-25
Dec	107-07	107-14	107-07	107-25
March	107-01	—	—	107-19

Volume 1,374 (878)
Previous day's open int 2,427 (2,349)
Basis quote (clean cash price of 15¼% Treasury 1996 less equivalent price of near futures contract) 6 to 14 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
June	1.5585	1.5585	1.5515	1.5570
Sept	1.5505	1.5579	1.5505	1.5605
Dec	1.5490	—	—	1.5601

Volume 820 (443)
Previous day's open int 1,025 (1,075)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
June	0.4100	0.4103	0.4093	0.4096
Sept	0.4143	0.4145	0.4143	0.4136

Volume 163 (137)
Previous day's open int 376 (373)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
June	0.4876	0.4902	0.4873	0.4905
Sept	0.4945	0.4946	0.4942	0.4975

Volume 130 (97)
Previous day's open int 330 (328)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
June	0.4217	0.4218	0.4215	0.4222
Sept	0.4250	—	—	0.4255
Dec	—	—	—	—

Volume 115 (241)
Previous day's open int 459 (372)

MONEY MARKETS

UK rates show little change

UK clearing bank base lending rates 10 per cent (since April 15 and 18)

Interest rates showed little change in London yesterday. The recent decline in rates following sterling's sharp recovery ran out of steam and although sentiment still dictated a further fall, the timing of such a move was seen in market circles as being much less imminent. In the interbank market overnight money opened at 10¼-10½ per cent and stayed there for most of the morning before drifting away in the afternoon to a low of 2 per cent.

The Bank forecast a shortage of around £600m although this was later revised to £550m. Factors affecting the market included bills maturing in official hands and a net take up of Treasury bill −£131m and the unwinding of previous sale and repurchase agreements −£404m. Exchequer transactions drained a further £40m while a fall in the note circulation added £80m to the system. Assistance in the morning comprised purchases of £318m of bills, comprising £58m of eligible bank bills in band 1 (up to 14 days) at 10$\frac{1}{16}$ per cent and in band 2 (15-33 days) £10m of local authority bills and £78m of eligible bank bills at 10 per cent. In band 3 (34-63 days) it bought £14m of Treasury bills, £15m of local authority bills and £61m of eligible bank bills all at 9$\frac{15}{16}$ per cent and in band 4 (64-84 days) £82m of eligible bank bills at 9⅞ per cent.

The Bank gave further assistance in the afternoon of £248m, making a grand total of £566m. The afternoon help comprised purchases of £130m of eligible bank bills in band 2 at 10 per cent, £90m in band 3 at 9$\frac{15}{16}$ per cent and £28m in band 4 at 9⅞ per cent.

In Frankfurt the Bundesbank drained funds from the money market through seven day currency swaps, pushing call money up to 4.85 per cent from 4.80 per cent earlier in the day. The amount of the swaps was not known but dealers pointed out that between DM 3bn and DM 5bn has found its way back into the market recently through the unwinding of previous currency agreements. Liquidity levels have also been affected by the transfer of DM 11bn from the Bundesbank as its 1982 profit to the Federal Government.

LONDON MONEY RATES

Apr. 19 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight........	—	2-10⅛	—	—	—	9½-10⅝	3-10¼	—	—	—
2 days notice ..	—	—	10¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice ..	—	10¼-10½	10¼	—	—	10½-10¾	10-10⅛	—	—	—
One month......	10$\frac{3}{16}$-10$\frac{1}{16}$	10$\frac{3}{16}$-10$\frac{1}{16}$	10¼	11-10⅝	10⅜	10¾	10-10⅛	10$\frac{1}{32}$	10$\frac{1}{32}$-10$\frac{1}{16}$	10$\frac{11}{16}$
Two months	10$\frac{3}{16}$-10$\frac{1}{16}$	10$\frac{1}{16}$-10⅛	10⅛	10¾-10⅜	10$\frac{3}{16}$	10⅜	9⅞	9$\frac{15}{16}$	9$\frac{15}{16}$-9$\frac{31}{32}$	10$\frac{15}{32}$
Three months.	10¼-10⅛	10⅛-10$\frac{1}{16}$	10	10⅜-10¼	10$\frac{1}{16}$	10⅛	9¾	9$\frac{13}{16}$-9$\frac{25}{32}$	9$\frac{13}{16}$-9$\frac{25}{32}$	10$\frac{3}{16}$
Six months......	10$\frac{1}{16}$-9$\frac{15}{16}$	10-10$\frac{1}{16}$	10	10⅛-9¾	10⅛	—	—	—	9$\frac{5}{8}$	10$\frac{1}{16}$
Nine months ...	10$\frac{1}{16}$-9$\frac{15}{16}$	10-10$\frac{1}{16}$	10	10⅜-10	10⅛	—	—	—	—	—
One year	10$\frac{1}{16}$-9$\frac{15}{16}$	10-10$\frac{1}{16}$	10	10¼-10	10⅛	—	—	—	—	—
Two years	—	—	10⅜	—	—	—	—	—	—	—

ECGD Rate Export Finance Scheme IV Average Rate for interest period March 2 to April 5 1983 (inclusive): 10.974 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 10⅝ per cent; four years 10¾ per cent; five years 11 per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rate for four months bank bills 9¾ per cent; four months trade bills 10⅝ per cent.

Approximate selling rate for one month Treasury bills 9$\frac{31}{32}$-10 per cent; two months 9$\frac{29}{32}$-9⅞ per cent; and three months 9¾-9$\frac{23}{32}$ per cent. Approximate selling rate for one month bank bills 10-10$\frac{1}{32}$ per cent; two months 9⅞-9$\frac{29}{32}$ per cent; two months 10$\frac{11}{32}$ per cent and three months 10$\frac{7}{32}$ percent and three months 9¾-9$\frac{25}{32}$ per cent; trade bills 10$\frac{7}{16}$ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11½ per cent from April 1 1983. London and Scottish Clearing Bank Rates for lending 10 per cent. London Deposit Rates for sums at seven days' notice 6¾ per cent.

Treasury Bills: Average tender rates of discount 9.7566 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 10½ per cent; one-three months 10¼ per cent; three-six months 10¼ per cent; six-12 months 10¼ per cent. Under £100,000 10 per cent from April 8. Deposits held under Series 3-5 10¼ per cent. The rates for all deposits withdrawn for cash 8 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES
(Market closing rates)

Apr. 19	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling.........	10$\frac{3}{16}$-10$\frac{1}{16}$	10⅜-10⅛	10⅜-10⅛	10$\frac{3}{16}$-10$\frac{1}{16}$	10⅛-10¼	10$\frac{1}{16}$-10$\frac{3}{16}$
U.S. Dollar....	8⅞-9⅛	8⅞-9⅛	8$\frac{15}{16}$-9$\frac{1}{16}$	9-9¼	9⅛-9⅜	9$\frac{5}{16}$-9$\frac{7}{16}$
Can. Dollar....	8½-9⅛	8⅞-9⅜	9¼-9⅛	9$\frac{1}{16}$-9$\frac{3}{16}$	9½-9⅝	9$\frac{11}{16}$-9$\frac{13}{16}$
D. Guilder	5½-5¾	5⅛-5¾	5$\frac{7}{16}$-5⅝	5$\frac{5}{16}$-5$\frac{7}{16}$	5$\frac{7}{16}$-5$\frac{9}{16}$	5$\frac{11}{16}$-5$\frac{13}{16}$
S. Franc........	3-3¼	3¼-3½	4⅛-4¼	4$\frac{5}{16}$-4$\frac{7}{16}$	4⅛-4¼	4⅛-4¼
Deutschm'rk	4⅜-4½	4⅜-4½	4⅝-4¾	4$\frac{7}{8}$-5	5$\frac{1}{16}$-5$\frac{3}{16}$	5$\frac{5}{16}$-5$\frac{7}{16}$
Fr'nch Franc	12⅜-12⅝	12⅝-12⅞	12¼-12½	13⅜-13⅝	14½-14¾	15-16¼
Italian Lira ..	15-17	14⅞-16⅝	15½-16¼	15⅞-16¾	16¾-17½	17⅜-18¼
Belg. Franc..						
Conv..........	10½-11¼	10½-11¼	10¾-11¼	10½-11	10½-11	10¾-11¼
Fin.............	10½-11	10¾-11	10⅝-10⅞	10⅝-10⅞	10½-10¾	10½-10¾
Yen	5⅞-6	6-6¼	6$\frac{1}{16}$-6¼	6¼-6$\frac{5}{16}$	6¼-6$\frac{7}{16}$	6$\frac{7}{16}$-6$\frac{9}{16}$
D. Krone.......	12⅞-13⅜	12⅝-12⅞	12½-13	11⅞-12⅜	11¾-12¼	12-12½
Asia $ (Sing.)	8⅞-9	8$\frac{15}{16}$-9$\frac{1}{16}$	9-9⅛	9$\frac{1}{16}$-9$\frac{3}{16}$	9⅛-9¼	9⅜-9⅛

FT LONDON INTERBANK FIXING
(11.00 a.m. APRIL 19)

3 month U.S. dollars		6 months U.S. dollars	
bid 9 1/8	offer 9 1/4	bid 9 5/16	offer 9 5/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	10½
Fed funds (lunch-time)...	8⅞-9⅛
Treasury bills (13-week)	8.12
Treasury bills (26-week	8.27

GERMANY

Lombard	5.0
Overnight rate	4.85
One month	5.05
Three months	5.20
Six months	5.25

FRANCE

Intervention rate	12.5
Overnight rate	12.75
One month	12.4375
Three months	12.1875
Six months	12.0625

JAPAN

Discount rate	5.5
Call (unconditional) ...	6.15625
Bill discount (3-month)	6.71875

SWITZERLAND

Discount rate	4
Overnight rate	2½-3½
One month	4$\frac{1}{16}$-4$\frac{3}{16}$
Three months	4$\frac{1}{16}$-4$\frac{3}{16}$

NETHERLANDS

Discount rate	3½
Overnight rate	5½-6
One month	5½-5¾
Three months	5⅜-5½
Six months	5½-5⅝

$ CERTIFICATES OF DEPOSIT

One month	8.65-8.75
Three months	8.70-8.80
Six months	8.80-8.90
One year	9.05-9.25

LONG TERM EURO $

Two years	10½-10⅝
Three years	10½-10⅝
Four years	10⅞-11⅛
Five years	11⅛-11⅜

SDR LINKED DEPOSITS

One month	8⅜-8½
Three months	8$\frac{7}{16}$-8$\frac{9}{16}$
Six months	8$\frac{7}{16}$-8$\frac{9}{16}$
One year	8$\frac{13}{16}$-9$\frac{1}{16}$

ECU LINKED DEPOSITS

One month	8¾-8⅞
Three months	8⅞-9
Six months	8$\frac{15}{16}$-9$\frac{1}{16}$
One year	9$\frac{1}{16}$-9$\frac{3}{16}$

A COMPLETE STERLING SERVICE

If you're interested in the money market talk directly—and in complete confidence—to the company which over the years has established a reputation for both first rate personal service and a keen anticipation of future trends.

Don't look at the market – talk to it!

BUTLERS
BUTLER TILL LIMITED
Adelaide House, London EC4. Tel: 01-623 5222 Telex: 883194

SHEARSON

The Platinum Industry Report - Prospects in Recovery
prepared by our Metals Research Unit

Few metals, if any, can rival the commercial and investment potential of this metal which is simultaneously precious, industrial, strategic and speculative.
To present a complete report we have therefore assessed the industry in all its aspects including the prospects for the quoted companies; changing factors in supply and demand; price trends and comparisons.

To: Shearson/American Express,
St. Alphage House, 2 Fore Street, London EC2.
Please send me......copy(s) at £75 (U.S. $110) per copy (postage included) of the new Platinum Industry Report.
NAME..
ADDRESS......................................

LEGAL NOTICES

IN THE MATTER OF ALFRED C. WRIGHT (ELTHAM) LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 31st day of May, 1983, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned, Patrick Granville White, of 1 Wardrobe Place, Carter Lane, London EC4V 5AJ, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

DATED the 12th day of April, 1983.
P. G. WHITE
Liquidator.

IN THE MATTER OF PAULOS (for a Taste of Brazil) LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 20th day of June, 1983, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Patrick Walter John Hartigan, of 1 Wardrobe Place, Carter Lane, London EC4V 5AJ, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 11th day of April, 1983.
P. W. J. HARTIGAN,
Liquidator.

THE COMPANIES ACTS 1948 TO 1976 CLIFFORD & TULL LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at [illegible] Street, London, WC2 on Thursday, the 28th day of April 1983, at 2.30 o'clock in the afternoon, for the purposes mentioned in sections 294 and 295 of the said Act.

Dated this 8th day of April 1983.
By Order of the Board,
A. I. ROGOVE, F.C.A.,
Secretary.

PUBLIC NOTICES

BARNSLEY METROPOLITAN BOROUGH COUNCIL
£3,000,000 Bills issued on 20 April 1983 at a rate of 9$\frac{25}{32}$% to mature 20 July 1983. Total applications were £15,000,000, total outstanding £5,800,000.

CANNOCK CHASE DISTRICT COUNCIL [illegible]

CLWYD C.C. BILLS [illegible]

THE FIFE REGIONAL COUNCIL [illegible]

GLASGOW DISTRICT COUNCIL [illegible]

GREAT GRIMSBY BOROUGH COUNCIL [illegible]

NORTHAMPTONSHIRE COUNTY COUNCIL [illegible]

STRATHCLYDE REGIONAL COUNCIL [illegible]

EAST SUSSEX COUNTY COUNCIL [illegible]

PERSONAL

FACT
NEARLY 30,000 NEW CASES A YEAR are diagnosed in this country alone. It is:
DIABETES
Join us — Help us Support us
BRITISH DIABETIC ASSOCIATION
10 Queen Anne Street London W1M 0BD

CLUBS

[illegible]

ART GALLERIES

[illegible]

A GLITTERING FUTURE?
Take a look at GOLD with CAL.
CAL Futures Limited specialise in the discretionary management of money in all futures markets (minimum investment [illegible]).
CAL

GENEVA
FULL SERVICE IS OUR BUSINESS
● Law and Taxation
● Translation and secretarial services
● Formation, domiciliation and administration of Swiss and foreign companies.
Full confidence and discretion assured.
BUSINESS ADVISORY SERVICE S.A.
[illegible]

Authorised Units—continued

[illegible]

Insurances—continued

[illegible]

Offshore and Overseas—continued

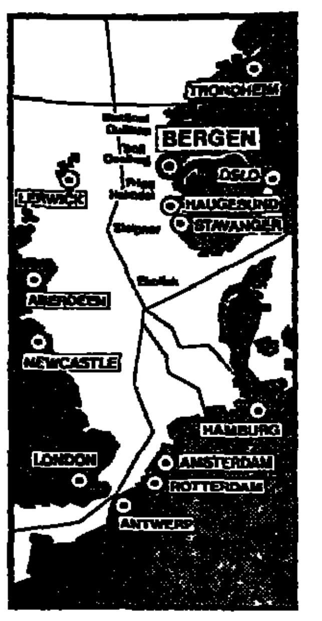
[illegible]

FINANCIAL TIMES SURVEY

BERGEN

The sea has long been the source of the city's fame and wealth and now that traditional industries such as shipping and shipbuilding are declining it is ushering in a new era of prosperity through oil and gas discoveries

The suporb situation of Bergen, Norway's second biggest port



CONTENTS

Editorial Production: Arthur Dawson. Design: Philip Hunt.

The sea brings new wealth

BY KEVIN DONE, Nordic Correspondent

THE SEA penetrates to the heart of Bergen, Norway's second largest city and the country's second largest port, and it is the sea that has always been its lifeline. Separated for much of its history from the rest of the country by rugged mountain ranges and the deep fjords which cut far into the coastline of Western Norway, Bergen has always been forced to look out to the sea to make its living.

Changing patterns of trade and the development of new forms of communications have robbed the city of its earlier importance—it was once the leading commercial centre of northern Europe, larger than Copenhagen, Stockholm, Gothenburg or Oslo and in the Middle Ages was Norway's capital.

The city remains the hub of commercial life in western Norway however and it is still the country's second largest financial and trading centre handling around 9 per cent of Norway's foreign trade. It is the headquarters of some of the country's leading shipowners accounting for around 14 per cent of the Norwegian merchant fleet. It has a significant industrial base and is an important administrative, educational and cultural centre.

It is again to the sea, however, that Bergen is looking for new impulses for economic growth, this time in the shape of offshore oil and gas.

According to estimates from the Norwegian Petroleum Directorate as much as 80 per cent of the recoverable reserves of oil and gas in the Norwegian sector of the North Sea of 5-6bn tonnes of oil equivalent lie on the continental shelf to the west of Bergen.

In the first Norwegian oil rush that followed the discovery of the Ekofisk Field in 1969 Bergen lost out to Stavanger further south and it was Stavanger that established itself as the first Norwegian oil capital.

In decline

Production from such early discoveries as Ekofisk is already starting to decline, however, and as the oil search moved north it was in the northern North Sea that the biggest new finds were made, oilfields like Statfjord, Gullfaks, and Oseberg and the Troll gasfield, which is thought to be one of the world's largest offshore gas discoveries.

A new era is clearly beckoning Bergen and it has been lobbying hard for several years to attract the oil companies to the city. It is already an accepted part of government policy that the future growth of land-based oil and oil-related activities should be spread northwards along the coast, sharing the benefits between communities whose livelihoods may well be endangered by the decline of traditional industries.

As a well-developed city serving a region with a population approaching 280,000 Bergen clearly feels itself well-suited to the task of becoming a new administrative centre for the oil industry. It is aiming to become the main location for the production companies operating the major offshore fields as well as a centre for service companies and offshore research and development work.

"We are just at the starting point," says Mr Eilert Eilertsen, Bergen's Lord Mayor. "We are on the threshold of a very big expansion in oil and gas work and as activity moves north much of this work will have to be done in Bergen."

The development of oil activities in Bergen will not occur at the same hectic pace as in Stavanger, but some important decisions have already been taken which ensure that the city will gain an increasing share of oil-related work.

The next phase of offshore oil and gas exploitation will be a much more Norwegian affair than was the case with the first six oil and gas fields to be developed on the Norwegian continental shelf, which all had foreign operators. Both Statoil, the Norwegian state oil company, and Norsk Hydro, Norway's largest publicly quoted company, have decided to locate the production companies for their first offshore field developments in Bergen.

Statoil is the operator for the Gullfaks Field, discovered in the so-called "golden block," and Norsk Hydro has the responsibility for developing the smaller Oseberg Field. In addition, Esso is establishing a small production company in Bergen for the exploitation of the Odin gas field.

Further into the future Bergen is the most likely location for the production companies which will be established by Shell, Statoil and Norsk Hydro to exploit the massive gas reserves contained in the Troll Field.

This discovery has been made in far deeper waters than is usual in the North Sea and the reservoir is also shallow and likely to be difficult to produce. The Troll Field will stretch the technological resources of the international oil industry to new limits and the authorities in Bergen hope that it will provide a major boost to the effort to establish the city as a leading centre for the research and development of underwater technology.

The city is already the location for NUTEC, the Norwegian Underwater Technology Centre, and several other research institutions and the deep, sheltered waters of the surrounding fjords offer unrivalled facilities for full-scale underwater testing.

The city appears confident that it has planned in sufficient detail for the arrival of the oil age and that it will be able to offer the necessary facilities; certainly few strains are apparent yet.

Office space

"There was a fear that real estate values and rents would start sky-rocketing," admits Mr Olaf Christophersen, managing director of the Vesta group, Norway's second largest insurance group which has its headquarters in Bergen, "but this has not happened yet because a lot of office blocks were built in the expectation of oil developments coming. There is no problem in getting office space virtually overnight."

Equally the labour market appears to pose few problems. Salary levels still tend to be low for a large Norwegian town and are 10-15 per cent below levels in Oslo and Stavanger. "There will be a strain on the labour market in the long term, but it is not as bad yet as we had feared," says Mr Christophersen, "because development has been slower than expected. Eventually there will be particular pressure on the white-collar section as Bergen becomes more and more of a service centre."

The oil industry will certainly be a welcome source of new jobs with certain key sectors of the manufacturing sector such as textiles and shipbuilding already in decline. Unemployment by Norwegian standards has been high at more than 3 per cent, many jobs have been lost as a result of closures among the textiles companies, and the city's biggest shipyard, part of the BMV group (Bergens Mekaniske Verksteder) which is Bergen's largest industrial employer, has virtually run out of new orders.

It, too, is looking to the North Sea to help it survive by pinning its hopes on switching vacant production capacity to the construction of modules for offshore oil and gas platforms. It has still to win its first order.

Some big names in Bergen industry, such as Jorgen S. Lien, once a world-renowned manufacturer of cash registers and adding machines with brand-names such as Regna and Adwell, have already disappeared, having proved unable to keep up with the pace of technological change, while other traditional companies are being forced to restructure their activities to cope with changing demands and pressures.

The G. C. Rieber group, for instance, a long-established Bergen company and until recently the world's leading dresser of seal pup furs, is closing its plant under the pressure of disappearing markets and the barrage of opposition from environmentalist groups to the killing of newly born seals.

Local shipping interests, another traditional mainstay of the Bergen economy, are coming through the prolonged crisis in the industry worldwide in better shape than most of their rivals, though here too there have been casualties, most notably the collapse of the Reksen group.

Traditionally, Bergen has relied on local entrepreneurial initiative for its success and prosperity, and has generated its own momentum as a leading commercial centre. The new impulses for economic growth offered by the arrival of the oil industry are of a different kind and result partly from Government directives.

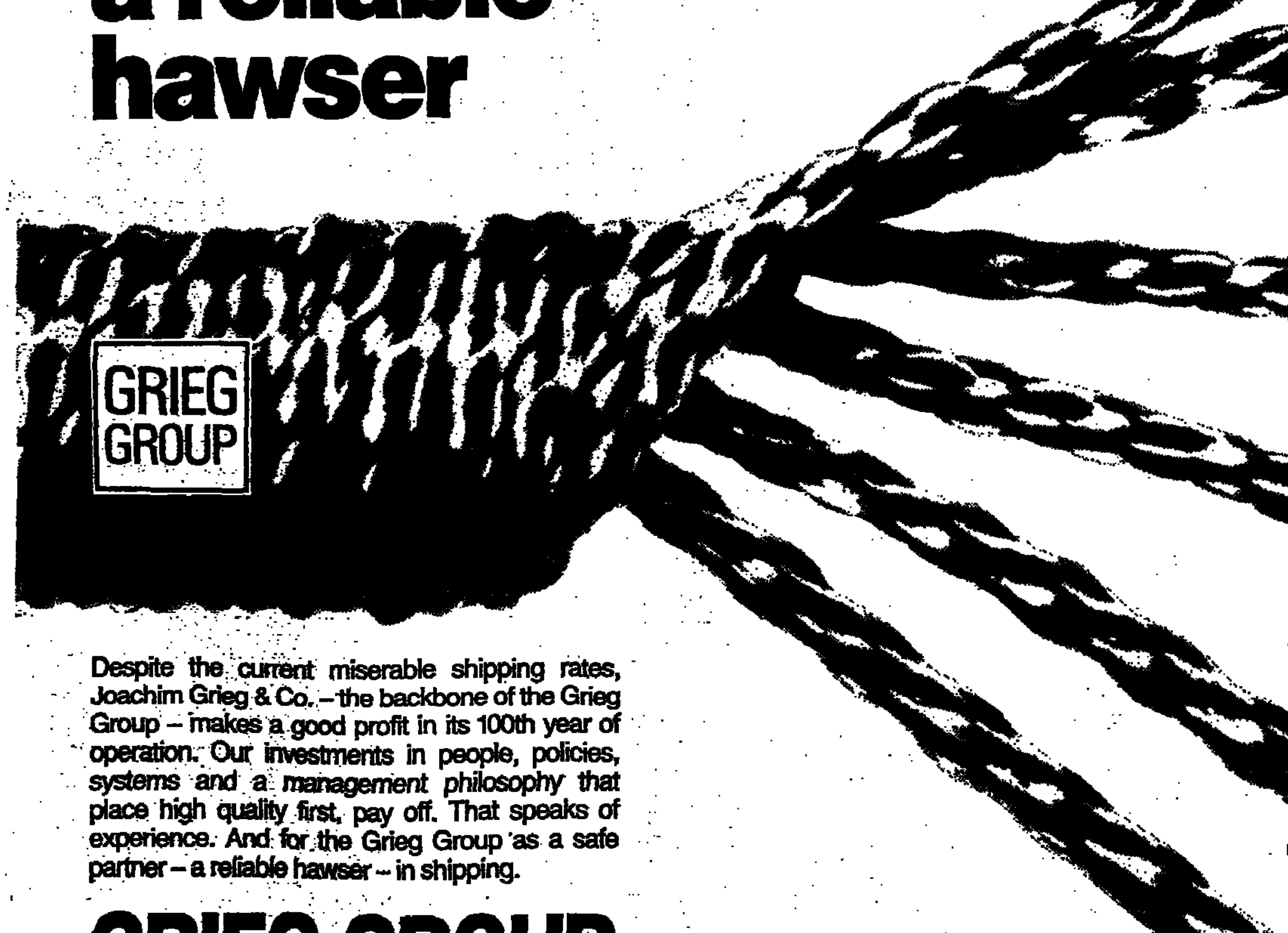
The local business community has come in for criticism that it has been slow to seize the available opportunities. "I feel that Bergen has been stagnating," says Professor Arnljot Stromme Svendsen, professor of maritime economics at the Norwegian School of Economics and Business Administration in Bergen.

"The city has always been very dependent on a few men who have been able to innovate and be copied. It has always been difficult for newcomers, they may be tolerated because of their money but they have not been accepted."

Such attitudes will undoubtedly be changed by the growth of the oil industry, which is powerful enough to develop with or without the Bergen establishment. There are encouraging signs, however, of young companies springing up locally, which are fully capable of cashing in on new opportunities, particularly in areas of high technology services for the offshore industry.

Markedskonsult A/S

It takes high quality strands to make a reliable hawser



Despite the current miserable shipping rates, Joachim Grieg & Co.—the backbone of the Grieg Group—makes a good profit in its 100th year of operation. Our investments in people, policies, systems and a management philosophy that place high quality first, pay off. That speaks of experience. And for the Grieg Group as a safe partner—a reliable hawser—in shipping.

GRIEG GROUP
a safe partner

Grieg Transport
BERGEN

Bergen will be the onshore centre for the development of the vast oil/gas fields off the Western Norwegian coast. To meet this challenge Grieg Transport has established an efficient organization at Bergen Harbour, Flesland Air Port, Ågotnes, Mongstad and will also be at the Statfjord Pipeline Terminal at Kårstø.
The GT 24-hours services comprise:
• Forwarding, customs clearance, warehousing, trucking, container depot, specialized in groupage and project forwarding. • Offshore services/Offshore construction transports. • International removal of household goods. • IATA cargo agents, consolidators, courier service. • Liner agencies for companies serving all main ports, world-wide door-to-door. • Ships' clearance, incl. lay-up facilities. • Transport consultants.
"Package" solutions is the trade mark of Grieg Transport.
Please contact Mr. Eldar Haram, Director, tel. 475/31 06 50, telex 42 094 or at Prof. Hansteensgt. 49, N-5000 BERGEN.

Joachim Grieg & Co.
BERGEN

From a modest start in 1884, when Joachim Grieg established one of the first shipbrokering companies in Norway, it has become one of the top shipbrokering houses in Europe. The approx. 70 men and women of JG&CO-Bergen are organized in the following departments:
• Dry cargo chartering. • Tanker chartering. • Sales & Purchase, Shipping projects and Contracting. • Offshore and Heavy lift chartering. • Insurance: marine, offshore and non-marine.
Please contact Mr. Nils B. W. Simonsen, Managing Director, tel. 475/31 11 40, telex 42 700 or at Rådstuplass 2/3, N-5000 BERGEN.

Billabong Ship Management
BERGEN

Established in 1981 its first task was to manage A/S Billabong – one of the partners in Star Shipping A/S – and the Billabong vessels.
With its highly qualified and experienced personnel, BSM offers a wide range of management and technical services:
• Chartering and operation. • Technical management of vessels. • Projects, newbuildings and conversions. • Personnel administration. • Purchase of spares and stores. • Accounting and finance. • Offshore transport advisory service.
Please contact Mr. Ragnar Nielsen, Director, tel. 475/32 36 80, telex 40 576 or at Strandgaten 17, N-5000 BERGEN.

Joachim Grieg & Co.
OSLO

is an independent member of the Grieg Group. Starting out as a branche office 85 years ago, JG&CO-Oslo is developed into one of the most agressive and competitive units in the group.
The Oslo unit covers the following fields:
• Dry cargo chartering. • Tanker chartering. • Insurance: marine, offshore and non-marine. • Sales & Purchase, Shipping projects and Contracting. • Oil sales.
You can call Mr. Rolf Engelsen, Managing Director, tel. 472/41 01 25, telex 79 392 or at Munkedamsveien 35, N-OSLO 1.

Grieg Finans A/S & Co.
OSLO

identifies, develops and markets projects with investors and financial institutions, primarily in the shipping sector. It also acts as manager for united partnerships and as a consultant to the shipping industry.
Although the company was established last year, it has already filed projects completed to the satisfaction of our clients.
Please contact Mr. Christian Bull, tel. 472/41 01 25, telex 79 392 or at Munkedamsveien 35, N-OSLO 1.

Grieg Holdings Ltd. (A/S)
BERGEN

is the administrative centre for the units of the Group. In addition to financial and strategic planning, accounting, personnel development and EDP, GH is responsible for the management of the total investment portfolio of the Group. In order to maintain our position as active participants in the world-wide flow of shipping information, we are constantly developing our skills to make use of this information to the benefit of our clients. Our people are abreast with the most recent developments in information processing and communication.
If you need a safe business connection in shipping and transport related services you should contact Mr. Per Grieg, Group Chairman, tel. 475/31 11 40, telex 42 700 or at Rådstuplass 2/3, N-5000 BERGEN.

A demanding client list

Bergen Bank was among the pioneers of Norway's petroleum industry and right from the start in 1965 we have been engaged in financing oil activities in the North Sea. Our involvement has grown to such an extent that most of the companies *now working there use us.*

Bergen Bank works closely with other banks and financial institutions all over the world. We are one of Norway's major banks and have more than 125 years of banking experience behind us. With over 100 branches, we are represented in all important centres in this country, and in close touch with all aspects of Norwegian business.

Bergen Bank has a special Petroleum Department staffed with experts which publishes an annual report entitled "Petroleum Activities in Norway". The 1983 edition is available now, and if you would *like to have your name on our mailing list for this and for future editions, all you have to do is fill in the coupon below. The report will* provide you with invaluable insight into the Norwegian petroleum industry, and will also show you how you can benefit from Bergen Bank's knowledge and experience in this important field.

Yes, please send the booklet "Petroleum Activities in Norway" to:
Name:
Title:
Company:
Address:
City:
State or country:

Bergen Bank - Information Department
P.O. Box 826 N-5001 Bergen
Norway. Tel: +475 31 71 00
Telex: 42018 bbbgo

BERGEN BANK

A bank for the future

BERGEN II

Oil and gas finds transform the outlook, says **Kevin Done**

Era of prosperity ahead

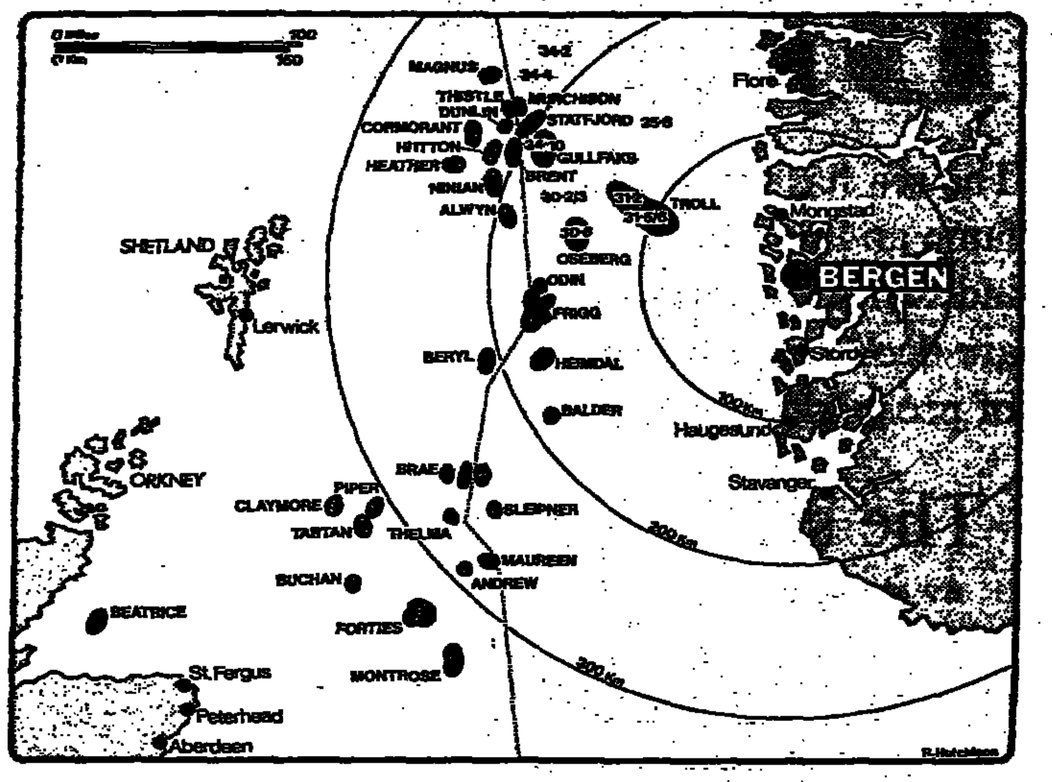
Economy

THE DISCOVERY of massive resources of oil and gas on the continental shelf off the coast of the Bergen region has transformed the area's economic prospects, and promises to usher in *a new era of prosperity.*

The gradual development of oil-related activities should allow a radical restructuring of the economy to take place without the rising unemployment and economic retrenchment that otherwise would have been difficult to avoid.

From a peak of nearly 215,000 in 1973 the city's population has declined each year influenced by a falling birth rate and a movement of people out of the city, many in search of cheaper homes. The population appears to have stabilised at about 208,000, but the city authorities are still planning for a further gradual decline to between 197,000 and 204,000 by the year 1990, despite the economic boost.

The build-up of the oil industry in Bergen will clearly change the structure of the local economy, "but we do not expect it to change the total picture," says Mr Paal Djonne, the city's director of planning and economy. The total labour force is expected to grow at no more than 1 per cent a year. Unemployment last December was *up to 3.4 per cent.*



Bergen's central position in relation to the big North Sea oil and gas finds

Steady decline

Manufacturing industry accounts for about 18 per cent of local labour force with activities concentrated in the shipbuilding, textiles, food production, printing, electronics and chemicals sectors. There has been a steady decline in employment in manufacturing *industry in recent years, however*, with structural change hitting the textiles sector particularly hard.

Employment in the very important shipping sectors has also fallen, although Bergen shipowners have survived the prolonged recession in the shipping industry worldwide relatively well helped by a policy of specialisation in particular market niches, such as chemicals, tankers and certain dry bulk cargoes.

As the second largest commercial centre in Norway, Bergen has maintained a flourishing presence in this sector with the banks, financial and insurance institutions accounting for around 7 per cent of the local workforce. Retailing, wholesaling, and the hotel and restaurant trade have also performed strongly during the last 10 years and provide more than 20 per cent of the workplaces in the city.

The biggest expansion in employment in the last decade has occurred in the public sector, however, which now accounts for nearly a third of the total Bergen workforce.

Rising living standards have brought a particularly rapid increase in the health and social services sectors and education.

The first decade of Norwegian oil developments has tended to pass Bergen by with most of the oil-related work occurring in traditional sectors such as mechanical engineering and shipbuilding. According to a report published by the city's oil and industry committee last month the oil-related sector was providing employment for about 3,000, some 6 per cent of the national workforce in this sector. Roughly 1,000 of these could be counted as new jobs, however.

The city's planning and economics department estimates *that to maintain full* and balanced employment in the Bergen region some 8,700 new jobs will have to be created by 1990 in addition to finding new employment for jobs lost through rationalisation and closures in declining sectors.

Certainly the authorities have few fears at present that new concerns setting up in Bergen will have undue problems in finding new staff. The easy supply of local labour is well reflected by the fact that average income levels in Bergen are low for a major city in Norway and in certain key professions, such as *engineering, earnings tend to* be 10-15 per cent lower than in centres such as Oslo and Stavanger.

The outlook for the city's industrial sector is not bright. According to the planning authorities' latest report on the labour market: "Industry will continue to decline in Bergen."

Better prospects are seen, however, for companies that manage to enter the servicing and maintenance sector for North Sea oil and gas installations, which offers a rapidly growing market close at hand.

With the expected development of large offshore oil and gas fields such as Gullfaks, Oseberg and Troll a number of oil companies are setting up operations in Bergen, including *Statoil, Norsk Hydro, Shell and* Esso, and it is expected that oil related work could create as *many as 5,000 new jobs on*shore in Bergen by 1990.

In manufacturing industry it is the mechanical engineering sector (including shipbuilding) which dominates with 40 per cent of total industrial employment. Yards in the city have suffered differing fortunes with the biggest engineering group BMV (Bergens Mekaniske Verksteder) having been the subject of a recent rescue by a group of Bergen investors.

New orders

The neighbouring shipyard of Mjellem og Karlsen has been more successful in maintaining a flow of new orders. Other large groups include the Munck concern, which manufactures cranes, hoists and mechanical handling equipment, and Frank Mohn which has gained access to the North Sea market with its range of pumps, hydraulic systems and *oil recovery equipment.*

The other major industrial activities are food and food processing with about *16 per* cent of employment in the sector, printing and graphics with 12 per cent and textiles still with some 12-13 per cent. Employment in the textiles sector has dropped by nearly 60 per cent during the 1970s, however, as the industry was hit by cheap imports, low investment and its failure to enter higher-priced segments of the market.

Despite such problems in certain sectors, Bergen appears to be relatively well-equipped to cope with the challenge *offered by the growth of the oil* industry over the next two decades. It already has a well-developed, sophisticated economic structure, which should not be swamped by the sheer size of oil developments.

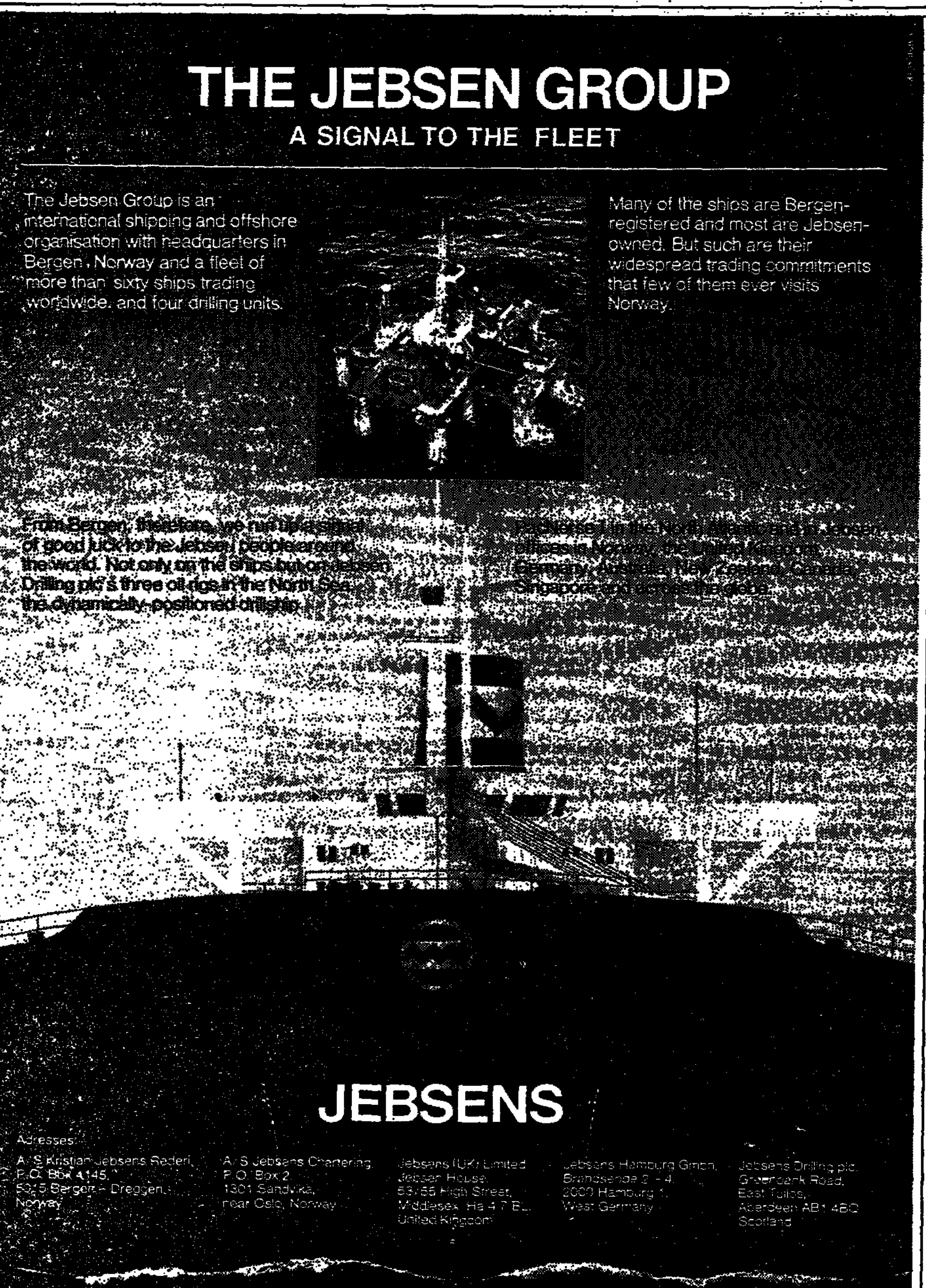
The wider region has a population of close to 300,000 and a well-qualified labour force of around 120,000. There is a higher availability of labour in the area than in either the Oslo or Stavanger regions, where unemployment is lower and wage levels higher.

In addition, Bergen is one of the country's main centres of higher education with several important institutions including the university with around 6,000 students and the Business School with 1,250 students ensuring a steady flow of new graduates on to the local labour market.

In contrast to Stavanger—Norway's first oil-boom city—Bergen has had more time to plan for oil developments and it should not be taken by surprise by the pace of growing demands.

According to Mr Ove Hellem, chairman of the Oil and Indus*try Committee*: "We have been working hand for the last six years to get oil activities to Bergen. I *think this will be the* main area for oil and gas developments in Norway for the next 10-15 years."

With 1800-2000 new homes being built each year he does not foresee any shortage of houses, particularly as many as 60 per cent of those recruited by the oil industry could come from the local region.



Banking sector still growing

Finance

BERGEN IS the second largest financial and commercial community in Norway and the banking, financial and insurance institutions account for about 7 per cent of the city's total employment.

Two institutions dominate the sector, Bergen Bank and the Vesta insurance group, both concerns of national importance, which play a leading role in the Bergen region's commercial and industrial life.

Some 60 per cent of the jobs in the sector are provided by these two groups together with two more banks, Vestlandsbanken and Sparebanken Vest and the Norsk Kollektiv Pensjonskasse (NKP) life insurance company. NKP itself, the third largest life insurance operation *in Norway, is owned more than* 50 per cent by the Vesta group, although it operates on an independent, arm's length basis, Vesta already having its own Hygea life insurance firm.

Sparebanken Vest is a new banking group which has emerged from the recent amalgamation of 25 savings banks in the surrounding Hordaland County in association with Bergens Sparebank, the largest of the group. The merger is part of a continuing trend within Norwegian banking towards greater concentration, which has already left its mark on the Bergen banking sector.

The Bergen Bank, the country's third largest commercial bank with total assets at the end of 1982 of NKr 22.5bn, is itself the result of a merger pushed through in 1975 between the city's two main banks, Bergens Privatbank and Bergens Kreditbank. The origins of the Privatbank date back to 1855 making it a little older than the Vesta insurance concern which was founded in 1880.

As a financial centre Bergen has traditions stretching back to the heyday of the fish trade with north Norway when the local merchants acted as brokers and bankers for their provincial customers.

In order to finance their own activities the Bergen merchants and shipowners looked to the bankers of Hamburg and London, links which today are still very strong and which were amply illustrated by the exposure of the Hambros Bank *to the collapse of the Reksten* shipping group.

The establishment of strong local financial *institutions* stemmed from the financing needs arising from the industrial and trading expansion which took place in the second half of the last century which required heavy investments. The intimate connections between the shipping and financial interest in Bergen are still very much in evidence today with shipowners represented in strength on most of the boards of the *city's leading financial* institutions.

Solidarity

The banking sector in particular is more broadly-based today after the entry *into the* Bergen market of the dominant Oslo banks, Den norske Creditbank (DnC) and the Christania Bank og Kreditkasse (KK) in the early 1970s.

The traditional Bergen financial and commercial community can still act with impressive solidarity, however, *when it is a question of saving* what are seen to be essential local assets. In recent weeks a group of local investors led by Bergen Bank, NKP, Sparebanken Vest and Elektro Union —a subsidiary of Vesta's minority-owned investment and industrial holding company, Investa—moved in to rescue BMV, Bergens *Mekaniske* Verksteder, the city's biggest industrial employer with a workforce of nearly 3,000.

The investment group has purchased a 60 per cent share in the BMV taking over the stake held by the troubled Aker concern. BMV has interests in shipbuilding, ship repair and marine engineering but has been pitched into difficulties *by the severe slump in* new shipbuilding orders. The Aker group was seeking to sell its BMV interests piecemeal.

Grave doubts have been expressed in private in some financial quarters about the wisdom of the move and the uncertain future facing in particular BMV's Solheimsviken yard, which is hoping to regain viability by switching from ships to building modules for the offshore oil industry, a fiercely competitive sector.

The return of BMV into local hands—the Oslo-based Aker concern purchased its interest 18 years ago from the Bergen Line, once the foremost local shipping group—solves none of its pressing industrial problems, but it is a clear outward demonstration of the local financial and commercial community's *awareness of the impact that* the collapse of the city's biggest employer could have on the economy of the region.

Bergen Bank is already having to cope with the problems facing another troubled branch of Norwegian industry, paper and pulp with the collapse of the Tofte Cellulosefabrikk which is involving the bank in considerable write-offs and provisions.

No exact estimate of the final loss for the bank has been published, but the latest annual report shows that the *loss* could be as much as NKr 130m if the final sale price of the plant covers only the first priority loans.

Generally, however, the bank considerably improved its profitability in 1982, its best performance for several years, helped by falling interest rates and *much higher* profits from its foreign exchange activities.

In the Bergen region it is clearly the dominant bank with a stable market share in recent years at around 48 per cent of deposits and 42-43 per cent of local bank lending. It has about 28-29 per cent of its assets in the Bergen region and 30-31 per cent in *the* Oslo area.

Its interests are perhaps *inevitably spread more* evenly across the country than is the case for the two big Oslo banks. Kreditkasse *is thought* to have slightly more than 60 per cent of its assets concentrated in the Oslo area, while for DnC the share is a little over 50 per cent.

Inevitably in the Bergen region the bank is heavily engaged in lending to the shipping sector *and increasingly to* the oil industry. The bank established some years ago a specialised department to provide advisory and financial services to the Norwegian petroleum industry.

Traditional

Like Bergen Bank, the Vesta insurance group too has found important parts of its business in traditional Bergen *activities* such as shipping and commerce and has expanded rapidly to meet the demands of the petroleum industry.

Vesta is the largest marine insurance group in Norway. In 1981 the group had gross premium income of NKr 1.6bn, after tax profits of NKr 19.4m and a workforce of 1,215.

Vesta is in the process of re-structuring its interests in order to be able to offer a *broad* range of insurance and financial services under one roof including leasing, factoring, hire purchase and travel and entertainment financing through its newly acquired subsidiary Nevi, Norway's largest financing company.

Nevi, which has the *Diners Club franchise in Scandinavia,* was taken over earlier this year from Investa, the Vesta group's 41 per cent-owned holding company as part of the re-organisation.

The reshuffle should also help bring Vesta more into line with changes expected in Norwegian insurance legislation *during* the second half of the 1980s.

Kevin Done

Success in specialist areas slows decline

Shipping

THROUGH specialisation and an unusual degree of local co-operation the Bergen shipowners are surviving the prolonged world shipping crisis better than most of their competitors. There have been some notable disasters, such as the collapse of the Reksten group—three of his remaining tankers are still laid up in a fjord close to Bergen—but the preference of most of the city's leading owners for seeking out specialist segments in the market has protected them from the worst impact of plummeting freight rates and declining world trade.

The relative position of Bergen as a shipping centre has undoubtedly declined, however, and in terms of tonnage it now ranks in third place in Norway behind Oslo and Stavanger. Bergen owners control 13-14 per cent of Norway's merchant fleet, accounting for about 2.8m tonnes (grt), although by the number of vessels they still have the biggest fleet in the Nordic region with 400 vessels of more than 100 grt.

In the shape of two joint ventures, Odfjell Westfal-Larsen Tankers and Odfjell Johnson Chemical Tankers (The J. O. Odfjell group is Bergen-based, while the Johnson Line has its headquarters in Stockholm) Bergen can boast two of the world's three biggest fleets of chemical tankers, however.

Collaborative

Gearbulk, a collaborative effort of two Bergen owners, Kristian Gerhard Jebsen Skipsrederi and J. Ludwig Mowinckels Rederi together with Louis Dreyfus of Paris, and Buries Markes of London has grown rapidly into the world's biggest fleet of specialised, geared bulk ships, while Kristian Jebsens Rederi with its headquarters in Bergen is probably the most highly internationalised of the Norwegian owners.

"In the last 25 years we have been forced into market niches that required a higher degree of know-how and more capital exposure," says Mr Per Grieg, chairman and managing director of the Grieg Group, the leading shipbrokers in Bergen. Grieg has also diversified into wider transport services and into shipowning through its subsidiary Billabong.

Billabong, together with Westfal-Larsen and the Oslo-based Fred Olsen, is a partner in another of Bergen's most important joint ventures, Star Shipping. Star began in bulk and bulkparcel trades, but it has increasingly developed towards special trades such as forestry products, steel and containers, and by the end of 1981 had a fleet of 1.2m tonnes dwt.

Providing brokerage and other transport services is still the Grieg Group's chief priority—it has been pushing hard to expand its share of the bigger Oslo market in recent years—but its move into ship ownership also reflects the growing concentration of resources in the Norwegian fleet.

"We were very concerned during the last crisis that so many of the weaker owners were left by the wayside and the sector was in terrible distress, admits Mr Grieg. "We faced the question of whether we would be left with just a few large, powerful owners that ran their own brokerage business."

The Bergen shipping sector has traditionally been dominated by a small number of families who have also played an important part in many of the city's financial and other commercial institutions and most of the shipping groups are still privately-owned.

It is a pattern of ownership that has proved both a strength and a weakness. Such a closely-knit society has not always taken kindly to newcomers and some of the group have run into serious succession problems between generations.

Irreconcilable differences between brothers and cousins or two different generations of a family have also sometimes unleashed fresh entrepreneurial energy in the resulting splits, however, as seen most clearly in the history of the Jebsen and most recently the Odfjell shipping interests.

Some of the earlier rivalries have also disappeared in the face of the often harsh realities of the modern shipping market. "We tend to take a more pragmatic view of co-operation now than we did 50 years ago in this town," says Mr H. P. Westfal-Larsen, whose grandfather started the family shipping business in 1905.

"There is a tendency in Bergen to co-operate, you pool your vessels and resources, you don't compete. That is something quite unique.

"Also we have not fared so badly in the recession, because by specialising you are not so influenced by the fluctuations in the market. Business is shaped more by the general world economic conditions."

Clearly there have been lower levels of activity and lower freight rates even for the most successful of the Bergen owners in the last year, but according to Mr Westfal-Larsen "there are signs of an improvement and I think volumes will pick up again."

Odfjell Westfal-Larsen Tankers, jointly owned by the two Bergen groups, Rederiet Odfjell and Westfal-Larsen & Co., has built up in less than 15 years the world's biggest fleet of specialised chemical tankers with a total tonnage of just under 900,000 tonnes dwt.

Rederiet Odfjell was the first shipping group to build a stainless steel chemical vessel and the group has an unrivalled experience in handling cargoes ranging from sensitive wines to the most corrosive chemicals.

Network

Most of the big specialised groups are also building up a network of owned terminals around the world enabling them to offer client industries a more complete transport package.

With around 1.5m tonnes dwt and more than 70 ships the Jebsen group led by Kristian Jebsens Rederi, now owned by Mr Atle Jebsen, the present president of the Norwegian Shipowners Association, has built one of the largest international fleets, although the majority of its ships are not registered under the Norwegian flag.

"Bergen owners have been less speculative than the rest of Norwegian shipping," says Mr Jebsen. "In Bergen we have tended not to order ships before we had a use for them."

Jebsens was one of the first groups to build up close, permanent relations with industrial customers and to push the concept of affreightment, which has the advantage of securing the major part of a fleet's carrying capacity through medium and long-term contracts.

"The quantities are down and the rates are down, but basically we are still shipping for all these customers," he says.

"We have also managed to stay cost-competitive by designing new ships and introducing new work systems." The so-called "Jebsen agreement"

Atle Jebsen, chairman of the Jebsen Group and president of the Norwegian Shipowners Association: Bergen owners managed to stay cost-competitive

brought in since 1977 has reduced the manning level on ships up to 12,000 tonnes to only 13 men. "I see no reason why this should not continue up to 30,000 tonnes," argues Mr Jebsen, "it is a continuous process." It is a process that has been fought hard by the seamen's union, however, in a bitter rearguard action.

Jebsens' other major strategy has been to enter into international joint ventures with developing countries such as Egypt, Saudi Arabia and the Philippines. The aim of the policy has been to attract new capital under Jebsens' management and control, to circumvent the growing protectionism in world shipping, to gain access to new cargoes, and to keep down costs by using non-North European crews.

The Jebsen group also includes management companies in the UK and West Germany and further subsidiaries in New Zealand, Australia, Singapore and Bermuda.

The Bergen shipowners have surprisingly paid little attention to building up services for the North Sea offshore oil and gas industry. Jebsens and J. O. Odfjell both operate offshore drilling rigs and there are small Bergen-owned fleets of supply boats and stand-by vessels, but other Norwegian shipping centres have seized the initiative in this sector.

The decline of the once-mighty Bergen Line during the 1960s and early 1970s has also loosened the city's grip on the North Sea passenger ferry services, which are now in the hands of the troubled Danish group DFDS. The service to Cuxhaven in northern Germany has been cut, while sailings to Newcastle and Amsterdam have been reduced to summer-only services, and even these are under threat.

Kevin Done

Opportunity to diversify

Shipbuilding

SHIPBUILDING AND repair is an industry with long-standing traditions in Bergen, reflecting the city's significance as a major port for both foreign and coastal trade. Today, the proximity of important Norwegian oil and gas fields—some already in production, some under development—has given Bergen's shipbuilders a welcome opportunity to diversify into offshore-related work, enabling them to fill some of the gaps in their order books created by the prolonged world shipping slump.

The two shipbuilding companies now working in Bergen differ considerably in size, make up and—at least for the moment — profitability. The smaller of the two, and currently the more prosperous, is Mjellem et Karlsen, an old family firm whose managing director represents the third generation of the Mjellem family. It employs 550, including 80 white collar workers, and is at present hiring new production workers to cope with its heavy work load. Its yard covers one large site (of more than 12 acres) in the centre of Bergen. The other company, Bergens Mekaniske Verksteder (BMV), had 2,690 on its payroll at end 1982, 223 down from a year earlier. Its annual report, just published, predicts further reductions in staff this year.

BMV has this month completed what it calls a "friendly divorce" from Norway's Aker group, through the purchase, by a group of Bergen investors, of Aker's 59.94 per cent stake in the company. Aker, which has yards scattered all over the country, decided last year to sell off its shipbuilding interests and concentrate on oil-related work. This will make it a competitor of BMV, which is reorganising, under its new ownership, and also intends to expand its offshore activities.

BMV operates two building and repair yards in Bergen itself—Solheimsviken and Laksevaag—a marine engineering plant, outside the city, which makes diesel engines, winches and windlasses, and a recently-established consultancy firm, Bergen Engineering, which employs some 55 engineers and aims to work mainly in the offshore sector. The company's subsidiaries in the Bergen area are Bergens Jernstoeperi, a foundry, and Hydravinsj, which

Mjellen et Karlsen's shipyard which employs 550.

makes hydraulic winch components. A Danish subsidiary, employing 40, makes hydraulic winches. In addition BMV has sales offices in London, Gothenburg and New Orleans.

While BMV achieved only break-even last year, Mjellem et Karlsen made a profit of nearly NKr 10m, on turnover of NKr 156m. Its order books are so well filled that it recently had to sub-contract, to BMV, the construction of the hull for a 1,500 G.T. fjord ferry which it had undertaken to build for a Bergen firm.

Paal Martens, manager of the shipbuilding department, says there are number of reasons for the company's success. On the repair and conversion side—which accounts for about two thirds of total turnover—its willingness to invest in up to date facilities has paid off. He believes that most repair yards tend to under-invest.

Tailored repairs

Mjellem et Karlsen's facilities for repair work are tailored to handle small and medium-sized ships. They comprise a five metre deep dry dock, 112.5m by 15.5m, with a 17 tonne crane, two slipways, 70m by 14.7m and 92m by 21m, each with a 20 tonne crane, a 67.5m by 13.5m floating dock with a five tonne crane, and quay spaces totalling 700m, served by cranes ranging from 17 to 50 tonnes.

A highly skilled workforce—most of them trained in-house and with many who are qualified in several fields—helps maintain the company's reputation for completion "on time, or before time," says Martens. The staff includes experts in various makes of marine engines, trained at the manufacturers' plants.

While many Norwegian shipyards have suffered a drain of their best men to offshore contracting companies, this has not been a serious problem for Mjellem et Karlsen.

The yard's central location has helped it to attract a wide range of repair customers, including ferry companies (important in the west of Norway, with its many fjords), fishermen and an increasing number of supply boat owners.

In the shipbuilding sector, M and K has experience in building a variety of small and medium sized vessels, including ferries and ships for the Norwegian Navy. Its speciality, however—for which it has won an international reputation—is the design and construction of marine research vessels, for fisheries, seismic and oceanographic work. It has built more than a dozen of these, most of them for export. They are ships which must meet exceptionally high standards with regard to stability, manoeuvrability, low sea noise from the vessel and low internal noise vibration, especially in sensitive areas like laboratories, cabins, instrument rooms, etc.

Its latest order, from Racal Geophysics, of the UK, is for a survey ship which Racal describes as "highly advanced, with 96-channel digital data acquisition capability." This contract was signed in January and the ship will be delivered in January next year.

In addition to its shipbuilding and repair operations, Mjellem et Karlsen has a small, but growing, industrial division which has recently been organised as a separate unit—"to act as a bridgehead in the offshore field," according to Martens.

The company wants to steer clear of offshore cost inflation because it tends to continue as a traditional shipbuilder. At the same time, however, its new department—for which a large new building has just been erected, equipped with both office space and overhead cranes—will seek "the kind of offshore work that can be done onshore," such as machinery overhaul, component repairs and so forth. It is not interested in offshore contracting—sending teams of workers out to offshore rigs and installations.

BMV, on the other hand, is keen to expand its offshore contracting activities and other offshore-related work, such as module fabrication. It sees this as one way of riding out the present slump, in which demand for new ships and oil rigs is virtually non-existent.

In the re-organisation now planned, marketing of the services provided by the company's two yards will be co-ordinated under one joint manager, 47-year-old Sven Ytrebus, who took over the post this month. His 18 years with BMV have included spells as head of design and engineering and manager of several departments, among them the Solheimsviken yard.

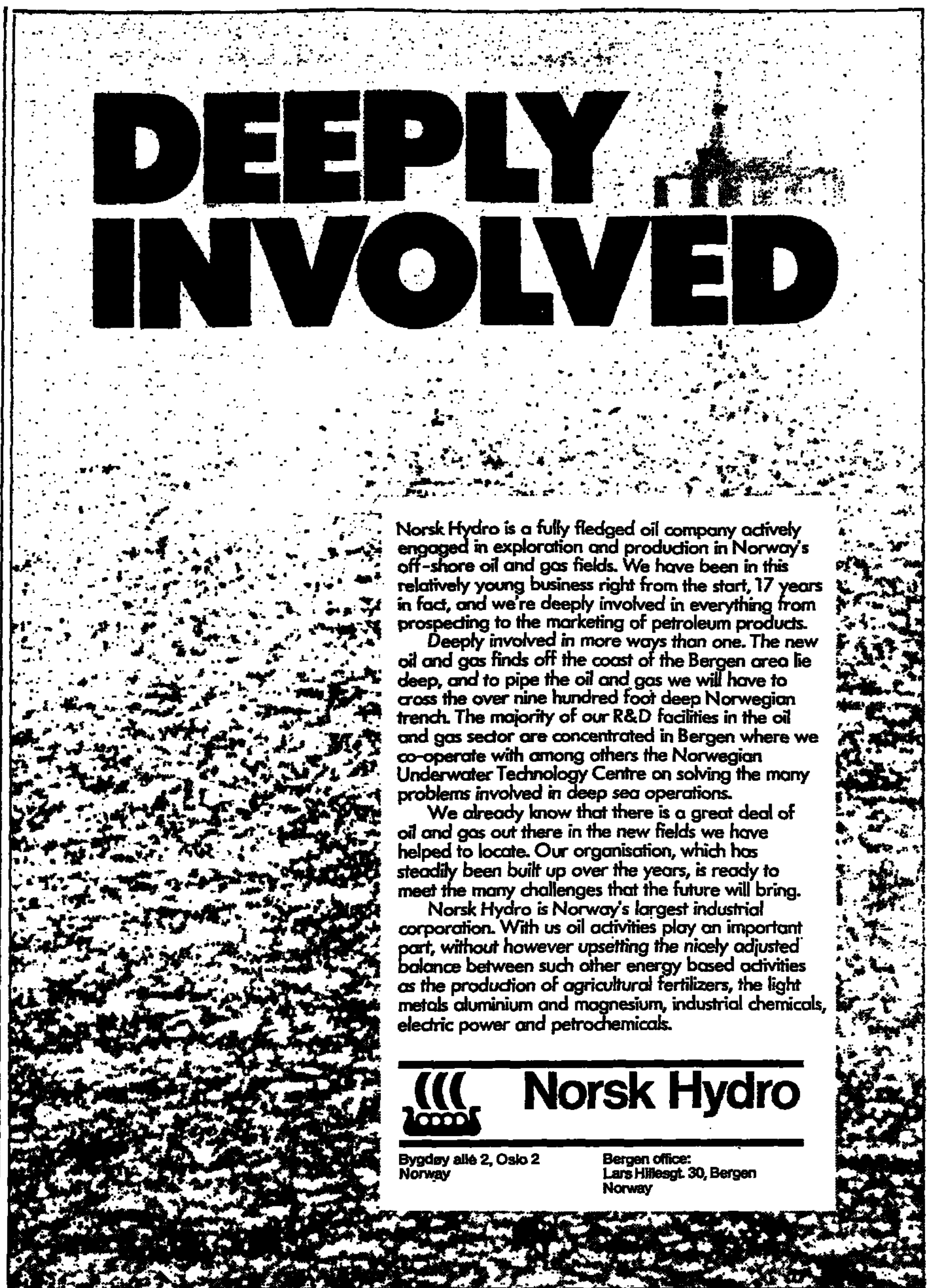
Enthusiasm

BMV's new owners, management and labour force all believe that the firm will be better placed to win oil-related contracts now that it is independent of Aker, which tended to steer many such jobs to its other yards. The employees' enthusiasm for the breakaway is illustrated by the fact that 95 per cent of them responded to an appeal to buy shares in the company, when Aker was selling out. Their purchases totalled NKr 1.25m. They realise that the shares may not pay dividends for a time, but regard them as an investment in their own collective future.

The most profitable unit in the BMV family, in recent years, has been its marine engineering plant at Hordviken, outside Bergen. Output here continued to grow until last year, with about 70 per cent of total being exported, mostly to the Far East and the U.S. The slump in shipbuilding has, however, hit demand for winches and marine diesel engines and the plant has had to go on short time working this year, to "spread out" the orders it still has on its books.

To counteract the trend, BMV's marine engineering plant has concluded licencing and co-production deals with firms in a number of foreign countries. Last autumn, it opened a sales office in New Orleans, and there are plans to establish some kind of representation in the Far East.

Fay Gjester



FINN ENGELSEN A/S
SHIPBROKERS

SPECIALITIES:

- CHARTERING OF PRODUCT TANKERS, CHEMICAL TANKERS AND CRUDE OIL TANKERS
- SALE AND PURCHASE
- TANKER MARKET RESEARCH
- PROJECT DEVELOPMENT

MAIL: P.O.BOX 1019
TELEPH.: +47 5 31 14 00
TELEX: 42 125
TELEGRAMS: ENGSHIP
OFFICE: OLAV KYRRESGT. 9, 5001 BERGEN

BERGEN, NORWAY

On this and the next two pages **Kevin Done,** examines the likely effects of new finds on the city's prosperity

Poised to reap the onshore benefits

Oil and Gas

AS THE EXPLOITATION of Norway's oil and gas resources moves steadily northwards the city of Bergen and the surrounding region are poised on the threshold of a new era. The brunt of the first hectic wave of oil developments was borne by Stavanger further south, which had the mixed blessing of becoming the country's first oil capital.

Production from the earliest oil and gas finds, such as the Ekofisk Field, is already beginning to decline, however, and it is Bergen which now appears best placed to reap most of the onshore benefits from the next generation of field developments.

Stavanger will probably remain the headquarters for the oil industry in Norway holding the head offices of Statoil, the state oil company, and and the Norwegian Petroleum Directorate.

It is official government policy, however, to spread the future expansion of land-based oil and oil-related activities northwards along the west coast, and the Bergen region has been chosen by the authorities as an administrative centre for oil companies, operating companies, engineering and service companies.

It is a natural development. Several major oil and gas discoveries have been made in the past couple of years on the continental shelf to the west and north-west of Bergen. The official reserves of hydrocarbons south of the 62nd parallel — 62 degrees north, which was for long the northermost limit of Norwegian oil and gas exploration — are estimated by the Norwegian Petroleum Directorate at 5-6bn tonnes of oil equivalent. Of this no less than 80 per cent has been found in waters lying offshore Bergen and the surrounding countries of Hordaland and Sogn og Fjordane.

"We are at the beginning of a very big expansion in oil and gas work," says Mr Eilert Eilertsen, the Mayor of Bergen. "We tried to get into the picture ten years ago but lost out to Stavanger. Exploration has shown, however, that there are big fields on what I call 'the Bergen continental shelf.' Because of this, activity will move north and much of the work will have to be done in the Bergen area."

The city is setting its sights at becoming an operating centre for the production subsidiaries of the major oil groups as well as a major location for oil-related research and development, engineering and offshore supply activities.

In terms of employment the main benefits for the Bergen region will begin to emerge in the second half of the 1980s and during the 1990s, but some key decisions, which will lay the foundations for the future expansion, have already been made.

The two main Norwegian oil companies, Statoil and Norsk Hydro, are moving into Bergen in force and have decided to locate their production companies for the Gullfaks and Oseberg fields in the city. Equally Esso will use Bergen as a base for its operations department for the small Odin gas field. A small presence has been established in the city too by companies such as Gulf and Total in connection with exploration licences.

Total, the French oil group, for instance, set up an exploration office in Bergen last September with the formal transfer of its Norwegian exploration activities from Aberdeen. The office is still small with a staff of only 18, but the move is a sign of Total's hopes of winning the exploration operatorship on some of the new blocks that will be opened for bidding during the Eighth and Ninth Rounds of offshore licensing.

26 blocks

Total already has interests in 26 blocks under 18 earlier licences but in the North Sea—south of the 62nd parallel — it has co-operated in the past with other leading French oil company Elf, which has been the operator for the partnership in the Norwegian sector.

New licences could be awarded by the Norwegian authorities under the Eighth Round in the autumn and under the Ninth Round in the spring of 1984, and Total is clearly hoping that its presence in Bergen could help it win new concessions either north or south of the 62nd parallel.

The first oil company to establish any sizeable presence in Bergen was Mobil, which uses the area as a supply and communications base for the massive Statfjord Field, the biggest North Sea oil discovery to date. Personnel are flown out to the field from Bergen's Flesland Airport — a new heliport and helicopter terminal are being planned for the airport — while the Coast Center Base (CCB) on the island of Sotra near Bergen is the field's marine supply base. Mobil also has its immediate Statfjord Field purchasing department in Bergen and in total has about 100 staff in the area.

A fleet of some eight boats are needed to keep the Statfjord "A" and "B" platforms supplied from CCB and a third platform Statfjord "C" is scheduled to be towed out to the field in July/August 1984. The local Bergen business community has been criticised for being slow to seize the opportunities offered by the new offshore market on its doorstep in the shape of the Statfjord Field, but there are firm signs that awareness is growing as the scale of the opportunities that will open up over the next 20 years is realised.

After Statfjord the next field on stream that will be supplied from CCB is Esso's small Odin gasfield. Developed as a satellite field to the Frigg Field, Odin will also be operated from Bergen, where Esso is establishing a small district office with 30-50 people from May this year at Kokstad, close to the airport. The production platform will be towed out to the field this summer and production should begin in autumn 1984.

The main impact of the oil boom, however, will be felt in Bergen in the second half of the 1980s with a surge in new job opportunities coming from the build-up of the Statoil and Norsk Hydro operating staffs within the production companies for the Gullfaks and Oseberg fields. (The field development plans are examined in accompanying articles.)

Statoil began to develop its production company for Gullfaks in Stavanger in 1981 and the personnel were then moved to Bergen in July last year. (It also has a separate exploration department in Bergen looking after activities on the central part of the Norwegian continental shelf.

The Gullfaks production company already has around 120 staff and this will build up to some 1,000 people by 1987, the year when oil production is scheduled to begin from the field. Of this total some 600 will be working offshore and 400 onshore.

By the year 2000 when both stages of the Gullfaks Field development should have been completed with four production platforms in operation, Statoil expects the production company to be employing about 650 people onshore, 925 offshore with a further 865 contractors' personnel offshore.

The company has temporary office space in the centre of Bergen, but it is developing a new administration centre with 25,000 square metres and office accommodation for 700 people on a development estate at Sandsli 2-3 km from the city's airport.

The first stage of that office development should be completed by the end of 1984. Other oil companies such as Norsk Hydro, Shell and Esso have also reserved space in the area, and Statoil alone will have 120,000 square metres available for development.

The offshore oil developments will bring a massive injection of new money into the Bergen region and Statoil expects to be spending around NKr 1bn a year for the operation and maintenance of the first stage of the Gullfaks project by 1990.

20,000 jobs

According to Mr Stig Ottesen, the Statoil information manager in Bergen, there could be as many as 20,000 people working in oil-related activities in the region by the year 2000, a strong rise from the 3,000 people estimated to be working locally in the industry last year. Clearly many of these will not be additional jobs, but will be part of a radical restructuring taking place in the local economy.

In a report on the local labour market prepared by the city's oil and industry committee, it is envisaged that the production operations for the Gullfaks, Oseberg and Odin Fields could create 1,300-1,400 jobs onshore in the three companies, Statoil, Norsk Hydro and Esso by 1990. Together with the Statjford Field these operations could create a further 3,500-4,000 jobs offshore.

For its Oseberg Field development Norsk Hydro will eventually have an operating staff of around 400 in Bergen and 1,400-1,500 offshore. The field is due to come into production in 1990, but Hydro will already start to build up the operating company from early 1984.

It originally moved to Bergen in September 1980 as part of the expansion of its oil activities away from the group's headquarters in Oslo. In the summer of last year it moved into new premises in the centre of Bergen with 20,000 square metres of office space and room for up to 500 employees, a level it expects to reach by 1986-87. Today it has around 200 employees in Bergen and expects to expand to about 700-800 during the 1980s.

Later expansion

Like Statoil, Hydro too has purchased a large site close to Flesland Airport for later expansion in the 1990s. Hydro will have all its offshore petroleum operating activities in Bergen, including the engineering and economics staffs responsible for following up its interests in fields, where it has only an equity holding such as the Ekofisk, Frigg and Gullfaks Fields.

In Bergen, Hydro has also located its exploration department for offshore work between the 60th and 62nd parallels and most importantly it is also locating its offshore research and development division in the city. It is investing up to NKr 100m in laboratories and data processing equipment and has already built up a specialist staff of more than 60.

It hopes particularly to benefit from the burgeoning research environment in the city and the growing specialisation of the region in the development of underwater technology.

For the 1990s and beyond Bergen is promising itself further expansion based on the development of the giant Troll offshore gas field, discovered in deep water only some 100 kms off the Bergen coast by Shell in 1979.

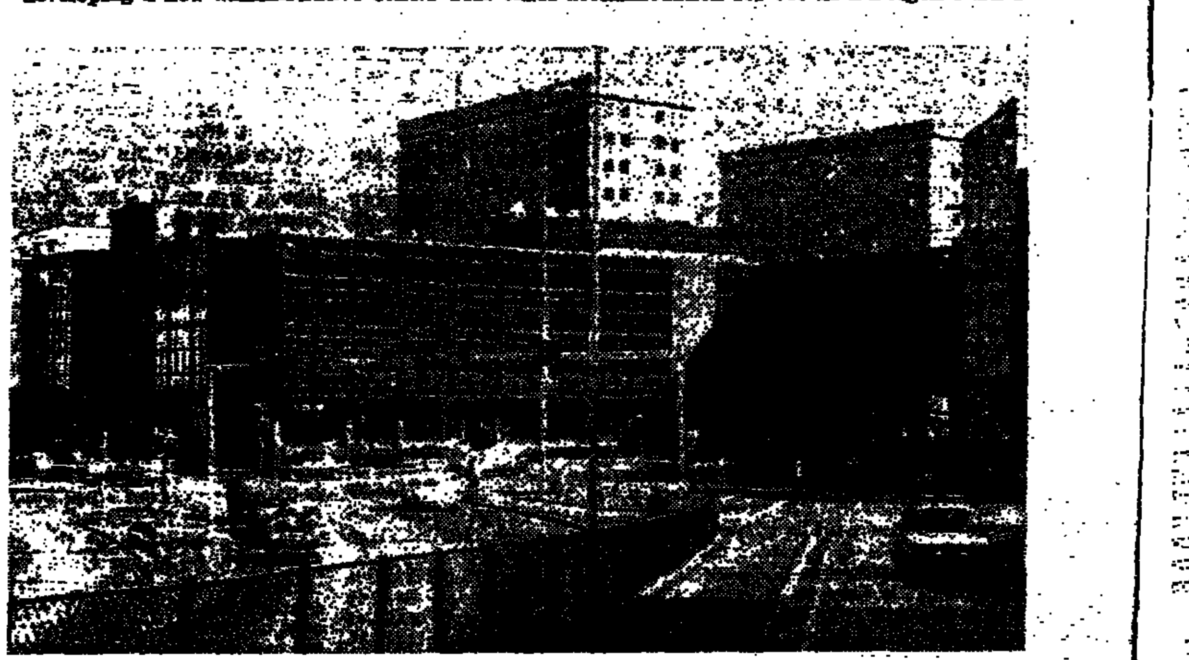
Troll is one of the world's biggest offshore gas fields, but its development represents one of the industry's stiffest technological challenges to date. While Shell will have the operatorship, at least for an initial period on the discovery block 31/2, it has been agreed after a bitter political fight in Oslo that Statoil and Norsk Hydro will share the operatorship on the other three blocks, 31/3/5 and 6 which are also straddled by the field.

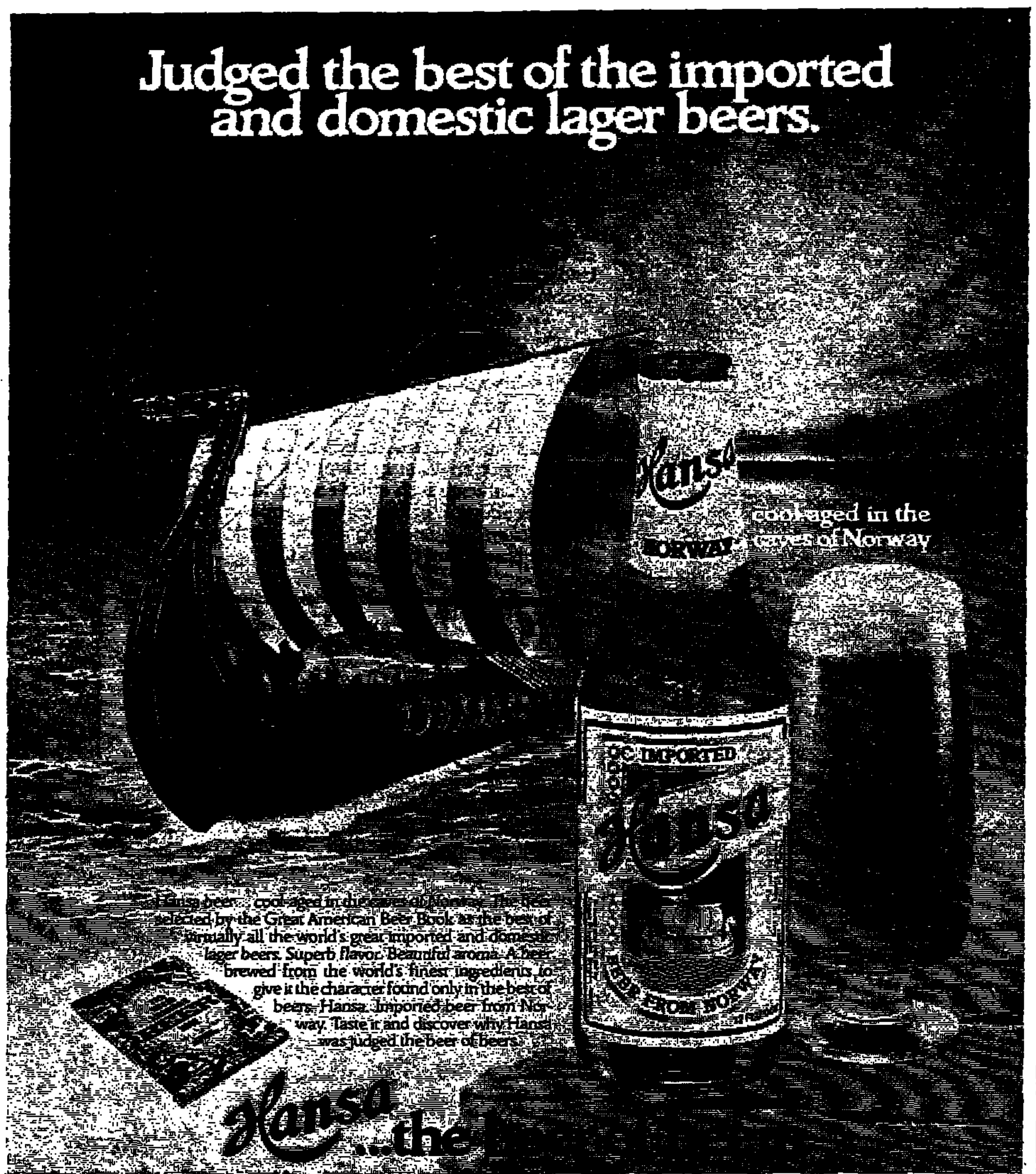
The city authorities believe that the Troll Field could be the North Sea's biggest development project of the 1990s, and with the field on its doorstep it is clear that Bergen can hope to become the field's operating headquarters for Shell as well as Statoil and Norsk Hydro.

A further interesting find by Saga in block 34/4 is also being seen as a potential source of new oil activities in the region with operations eventually to be located in Bergen.

The local political and business community is most anxious to see the operating phase of future offshore projects based in Bergen. It is the operation rather than the construction phase that offer the most stable source of new employment. According to Stig Ottesen of Statoil: "Those supply companies that survive locally until 1990 will have a very prosperous future."

Fitting out a deep sea rig at the Bergens Mekaniske Verksteder (BMV) shipyard. The company is keen to expand its offshore contracting activities and other offshore related work. Below, the temporary headquarters of Statoil which is moving into Bergen in force. It is developing a new administrative centre with office accommodation for 700 in a Bergen suburb

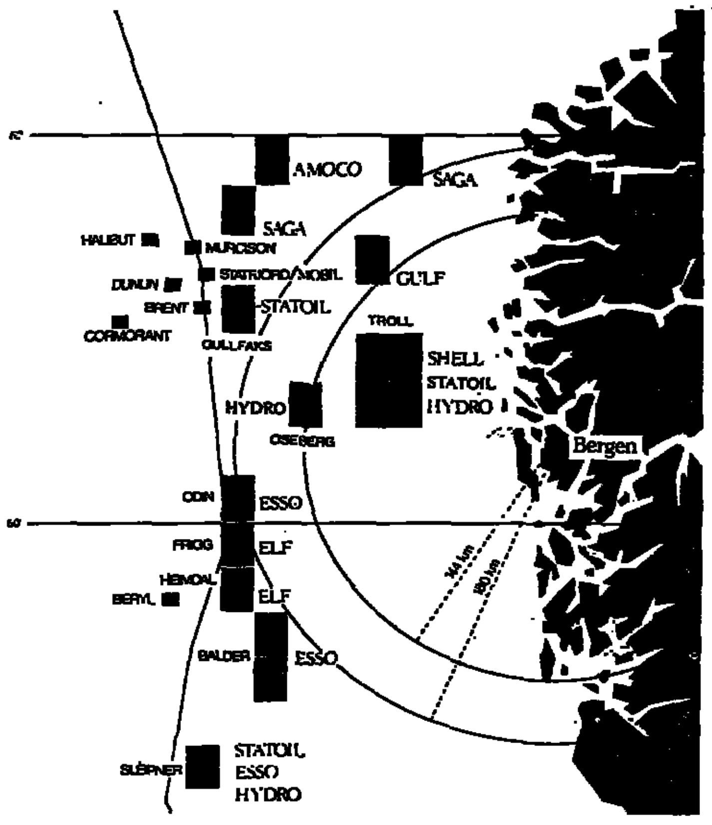




✻ BREWED AND BOTTLED BY A/S HANSA BRYGGERI, BERGEN, NORWAY.

BERGEN AN ALL ROUND PARTNER

ACTIVITY MAP



Further information can be obtained from City of Bergen Municipal Information Department
N-5001 Bergen, Norway
Telex: 40 098 BGKOM N
Telephone: +47 5 32 36 00

POPULATION

* Bergen is Norway's second largest city. The Bergen-region has a population of 280.000 people.

EMPLOYMENT

* The city of Bergen has a varied employment structure totalling 110.000 jobs. Manufacturing represents 18% of the employment, commerce and transportation 35% and the public sector 35%. The region has an excellent offer of manpower for most businesses.

COMMUNICATIONS

* Bergen is a centrally located communication centre situated on the West Coast, with an international airport, modern port facilities, a large integrated oil base and railways services.

EDUCATION AND RESEARCH

* The city of Bergen is a centre of research and education, with a university, a school of economics and business administration and a technical college. Among special institutions are Norwegian Underwater Technology Centre, Chr. Michelsens Institute, Det norske Veritas and Norsk Hydro's oil research centre.

COMMERCE AND FINANCE

* Bergen is the second largest financial centre in Norway. The traditional activities are shipping and trading.

OPPORTUNITIES

* The Norwegian Petroleum Directorate indicates that as much as 80 % of the estimated reserves south of the 62°N parallel are located west of the Bergen area.
* According to official estimates there will be an annual investment, including maintenance and repair, in the North Sea of appr. 20 billion Norwegian Kroner. The offshore activities represents thus an enormous new market for the region.
* According to national and local policy objctives, Bergen is ascertained to become an integrated growth centre for all types of oil activities.
* Petroleum is estimated to provide for 5000 jobs onshore in Bergen by 1990 and twice that number offshore.
* Oilcompanies established in Bergen are STATOIL, NORSK HYDRO, MOBIL EXPLORATION, NORSKE GULF AND TOTAL MARINE NORSK A/S.
* Oilcompanies planning establishment in Bergen are ESSO EXPLORATION, NORSKE SHELL and SAGA.

PORT OF BERGEN

The major port in Western Norway.

An efficient and modern port ready to meet the needs of new transport technologies and terminal requirements for the off-shore industry.
Direct connections by 35 regular lines to major international ports in 20 countries.
Modern container-terminal with large ro/ro ramp and 50 tons heavy lift crane.

PORT OF BERGEN AUTHORITY

SLOTTSGATEN 1
N 5000 BERGEN
NORWAY
TEL. + 475 31 64 00

SITES FOR ANY KIND OF ACTIVITY ARE EASILY OBTAINED THROUGH A/S BERGEN TOMTESELSKAP, N-5080 EIDSVÅG, TEL. +47 5 25 60 40.

The first field developed solely by Norwegian companies

Statoil achieves its ambition

Gullfaks

THE DEVELOPMENT of the Gullfaks Field is opening a new era in the short history of the Norwegian offshore oil industry. When the oil begins to flow in 1987 the Gullfaks Field in block 34/10 will become the first oil discovery to have been developed solely by Norwegian oil companies, with Statoil, the Norwegian state oil company, as operator.

With the Gullfaks Field the centre of gravity of Norwegian oil developments onshore has also started to move north from its starting point in Stavanger to Bergen, Norway's second largest city. Bergen will be the headquarters for Statoil's Gullfaks production company.

Not surprisingly with the Norwegian offshore oil industry in its infancy the first six oil and gas areas to be developed on the Norwegian continental shelf—Ekofisk, Frigg, Statfjord, Valhall, Odin and Heimdal — have all had foreign companies as operators.

With Gullfaks, however, Statoil which was only founded in 1972, has achieved its ambition of leading a major offshore project and on a block which from the start was considered to be one of the best prospects in the North Sea.

Block 34/10 acquired early-on the nickname of the "golden block." It was made the subject of a special presentation by the Government, when it presented its submission on the Fourth Round of licensing to the Storting, the Norwegian Parliament, in December 1977, and it was specifically reserved for exploration by Norwegian oil companies.

Reputation

The block has lived up to its reputation with the discovery of large quantities of oil and gas on at least two structures. The Gullfaks structure which conveniently appears to be divided into two parts by a main fault running through the field has been extensively explored with 14 exploration and appraisal wells.

The field, located about 180 km north-west of Bergen, has estimated recoverable reserves of around 210m tonnes of crude oil and 29bn cubic metres of gas making it about half the size of the neighbouring Statfjord Field, the biggest oil field yet discovered in the North Sea.

Several separate geological structures in the block could also contain oil and gas and one at least, 34/10 Alpha, is thought to have recoverable gas reserves of as much as 80bn cubic metres making it twice as large as the Heimdal Field, which is also under development.

The Gullfaks Field itself—in Norwegian folk tales Gullfaks is the name of a ship that could sail just as fast on land as on water—will be developed in two stages, with the western part of the field being developed first according to a phased development plan approved by the Norwegian authorities in October 1981.

The water depth at the field varies from about 130 to 220 metres with the reservoir lying about 1800 metres below sea level. The first two platforms will be placed on the seabed in water depths of 135 and 145 metres.

Although Statoil is solely responsible as operator it entered into a technical assistance agreement in the spring of 1978 with Esso for the exploration phase. A similar technical assistance agreement has been concluded by Statoil with Conoco for 10 years to cover development and production. Exploration work is continuing on the block and Statoil is drilling its first well on the 34/10 Beta structure with the rig Deep Sea Bergen.

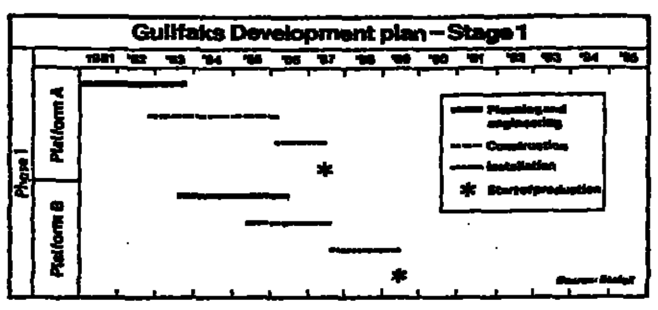
The development plan for the first stage of the Gullfaks Field envisages the use of two production platforms, the first at least like the Condeep concrete one. Work on forming the concrete base of the "A" platform began at Norwegian Contractors' yard at Stavanger in February.

This structure will be towed out to the field in 1986 with crude oil production planned to start a year later. The platform will have a maximum production capacity of 245,000 barrels of oil a day and 3.5m cubic metres of gas.

The platform will be longer and narrower than the typical Statfjord Condeep platforms. It will be T-shaped, a configuration chosen to increase the distance between the accommodation quarters and the production and drilling areas. The "A" platform will have accommodation for 330 people and it is the first time that a North Sea platform has been designed with single rooms.

The "B" platform will be smaller with a production capacity of 150,000 b/d. It will be equipped for drilling and primary separation and will have accommodation for 160. It will begin production two years after the "A" platform.

Statoil's two project directors for the A and B platforms respectively are (left to right) Ole Borre Lilleengen aged 48, and Sverre Aasersen aged 35.



Statoil estimates the total investment needed for the Gullfaks development at about NKr 18.5bn (at 1980 prices) for the first stage with two platforms, two loading buoys, gas pipeline links to the Statfjord Field and the drilling of the production wells.

Some NKr 9.5bn has been estimated as the cost of the "A" platform, NKr 5.5bn for the "B" platform and NKr 3.5bn for the production wells. At present prices the total expenditure just on the first phase of the project could rise to NKr 40bn.

Vital factor

The Gullfaks development is a vital factor in safeguarding jobs in the offshore supply industry and Statoil expects to place contracts worth around NKr 5.6bn this year after the NKr 5.3bn worth of contracts awarded last year.

Norwegian Petroleum Consultants and Overseas Bechtel have been appointed as Statoil's main engineering consultants, while Aker Engineering and Foster Wheeler are carrying out engineering design work on the deck and modules.

Norwegian Contractors has won the contract to build the main concrete structure, Moss Rosenberg will build the equipment for the shafts, while Leirvik Sveis at Stord will construct the accommodation quarters module. Kvaerner is supplying the platform power station.

Contracts this year will be awarded for 11 modules, the deck frame, detailed pipeline engineering work and insurance. Competition is fierce between Norwegian and foreign fabrication yards but the lion's share of the work appears to be going to domestic contractors. By 1984-85 around 6,000 people will be engaged on work connected with the construction of the "A" platform.

The second stage of the Gullfaks Field development is likely to come during the first half of the 1990s—approval is still to be sought from the authorities—with production starting perhaps in 1996 as output from the "A" and "B" platform begins to decline steeply. The field is given an overall production life of 20-30 years.

Crude oil from Gullfaks will be loaded from storage cells at the bottom of the platform through loading buoys into tankers. Vessels of 80,000-120,000 tons will be used and with the bigger tankers loading will take place every third day during peak periods. The storage cells have a capacity equivalent to eight days' full production.

Gas produced from the field will be transferred direct without storage to the Statpipe pipeline system, which is under construction at a cost of around NKr 14bn (1980 prices). Gas represents around 10 per cent of the Gullfaks reservoir value. Gross profit from the field has been estimated at NKr 100bn (1980 prices).

The pipeline system will take the gas first to an onshore terminal at Kaarst—the first time that a pipeline will cross the formidable Norwegian Trench with water depths up to 300 metres. Here the wet and dry gas will be separated with the dry gas being piped further via the Ekofisk Field to Emden in northern Germany.

Such is the scale of developments in the North Sea for a country with such a small population as Norway that the Gullfaks "A" platform alone will produce in about 250 days as much crude oil as the total annual oil consumption in Norway.

Go ahead expected shortly

Oseberg

THE OSEBERG oil and gas field lying in blocks 30/6 and 30/9 of the Norwegian continental shelf will be the second major offshore discovery to be operated from Bergen. The field is expected to be declared commercial by the operator Norsk Hydro during the next few weeks, and Hydro and its various partners hope to present a detailed development plan to the Norwegian authorities in September or October.

The go-ahead for the project from the Storting, the Norwegian Parliament, is likely to be given early next year.

Block 30/6, which contains the greatest share of the Oseberg reserves, was awarded under Norway's fourth round of offshore licensing in 1979 to a group led at the time by Statoil. It was nicknamed the "silver block" — the most optimistic name, the "golden block," had already been given to block 34/10 where Statoil is now developing the Gullfaks field. The area has lived up to its name with the discovery of significant quantities of both oil and gas.

The final exploration and appraisal well should be completed during early summer. Recoverable reserves are estimated at about 100m tonnes of crude oil and 60bn cu m of natural gas, with gas making up 30 to 40 per cent of the total reserves.

Oseberg is a good, medium-sized find by North Sea standards and lies in water depths of some 110 metres. Mr Olav Bjornevoll, general manager of Norsk Hydro's Bergen office says: "It is a clear-cut structure and does not present any big technical problems."

The field straddles two blocks and part of the second block directly to the south, block 30/9, was first awarded to four Norwegian oil companies in August last year with Norsk Hydro as operator again. This move—the first time that only part of a block has been licensed—was necessary to allow the evaluation of the Oseberg field to be extended so that a development decision could be made.

The field, named after the excellently-preserved Viking longship that was discovered in a burial mound in 1903, will eventually be operated by Norsk Hydro from Bergen. A start will be made on building up this organisation next year in preparation for the first production of crude oil, which is expected in 1990. Eventually, when the field is fully developed, there could be as many as 400 operating personnel based in Bergen with a further 1,400 to 1,500 working offshore.

STATISTICS ABOUT THE OIL AND GAS FIELD

Location: blocks 30/6 and 30/9, about 150 kms west-northwest of Bergen, 90 kms south-east of Statfjord Field, 90 kms north-east of Frigg Field.
Water depth: 106 metres.
Licence award: Fourth round. 1979.
Discovery: 1981, oil; 1979, gas.
Estimated recoverable reserves: 100m tonnes crude oil, 60bn cubic metres gas.
First production: probably 1990. Main gas production from about 2000.
Operator: Norsk Hydro.
Partners: Block 30/6: Statoil, 50 per cent (with possibility to increase further); Norsk Hydro, 12.5 per cent; Elf, 12.8 per cent; Mobil, 10 per cent; Saga, 7.5 per cent; Total, 6.67 per cent. Block 30/9 (only 20 per cent of block licensed): Statoil, 70 per cent; Norsk Hydro, 15 per cent; Saga, 10 per cent; still to be allocated, 5 per cent.
Supply base: probably Mongstad, 40 kms north of Bergen.
Development headquarters: Oslo.
Operations headquarters: Bergen.

For the moment, the main work is being carried out in Oslo, which is the heaquarters for the development phase of the Oseberg project, the first offshore development for which Norsk Hydro has been awarded the operatorship by the Norwegian authorities.

The original operator on block 30/6 was Statoil, the Norwegian state oil company, which the authorities wanted to be responsible for the first field development to be carried out by a Norwegian company. When Statoil won the right to develop the bigger Gullfaks field in 1981, however, it was agreed that responsibility for Oseberg should be switched to Norsk Hydro. Hydro eventually took over in April 1982.

The allocation of the licences for the Oseberg blocks has been surrounded by controversy and Norsk Hydro has complained bitterly that its equity share in the project does not match up to its responsibilities.

"On block 30/6 Statoil has the right to increase its share in the event of a find at the expense of the other parners," says Mr Torvald Aakvaag, deputy president of Norsk Hydro. "If this option is exercised it can reduce Hydro's share from the present 12.5 per cent to around 8 per cent depending on the level of production.

"Since one-third of the reserves lie in block 30/9 Hydro's final share in the Oseberg field will be about 10 per cent with the production level planned at present. Probably no other operator for a North Sea field development, whether a Norwegian company or not, has been awarded such a small holding."

Hydro is fighting every inch of the way to increase its presence on the Norwegian continental shelf, but Mr Aakvaag argues: "The share we have now been given bears no reasonable relation to Hydro's investment in exploration and the efforts we are making to build up Norwegian oil expertise."

The company had hoped for a much bigger stake in the second Oseberg block 30/9. Its only hope now for ending up with an overall share of 13-14 per cent—"which is still fairly low for an operator," says Mr Aakvaag—is that the state refrains from exercising its option to increase its share as production from the field builds up.

Development plans for the field are still to be finalised, but it appears that it will require at least two and perhaps three main production platforms. If only two platforms are used that implies a far greater number of subsea completions, where the wellheads are located on the seabed. Norsk Hydro estimates the total investment costs at about NKr 35-40bn.

Gas makes up 30 to 40 per cent of the total reserves in the field with much of the gas located in a cap above the oil column. Hydro is planning to concentrate first on producing the crude oil. Associated gas which is produced along with the crude oil may be re-injected first into the reservoir.

This will help maintain pressure for oil production and will keep gas available for retrieval later in the 1990s or in the early years of the next century. Negotiations with buyers have not yet been concluded.

Crude oil production, which is planned to begin in 1990, could peak in the mid-1990s at about 240,000 barrels a day. Transport would most probably be through offshore loading into tankers. By the end of the century various natural gas pipelines will be in operation in the Norwegian sector of the North Sea and the partners in the Oseberg Field will have a range of options including links to the Frigg Field gas pipeline to the UK or to the Statpipe and Ekofisk systems to northern Germany.

Gas output could be about 4bn cubic metres a year from about the year 2000.

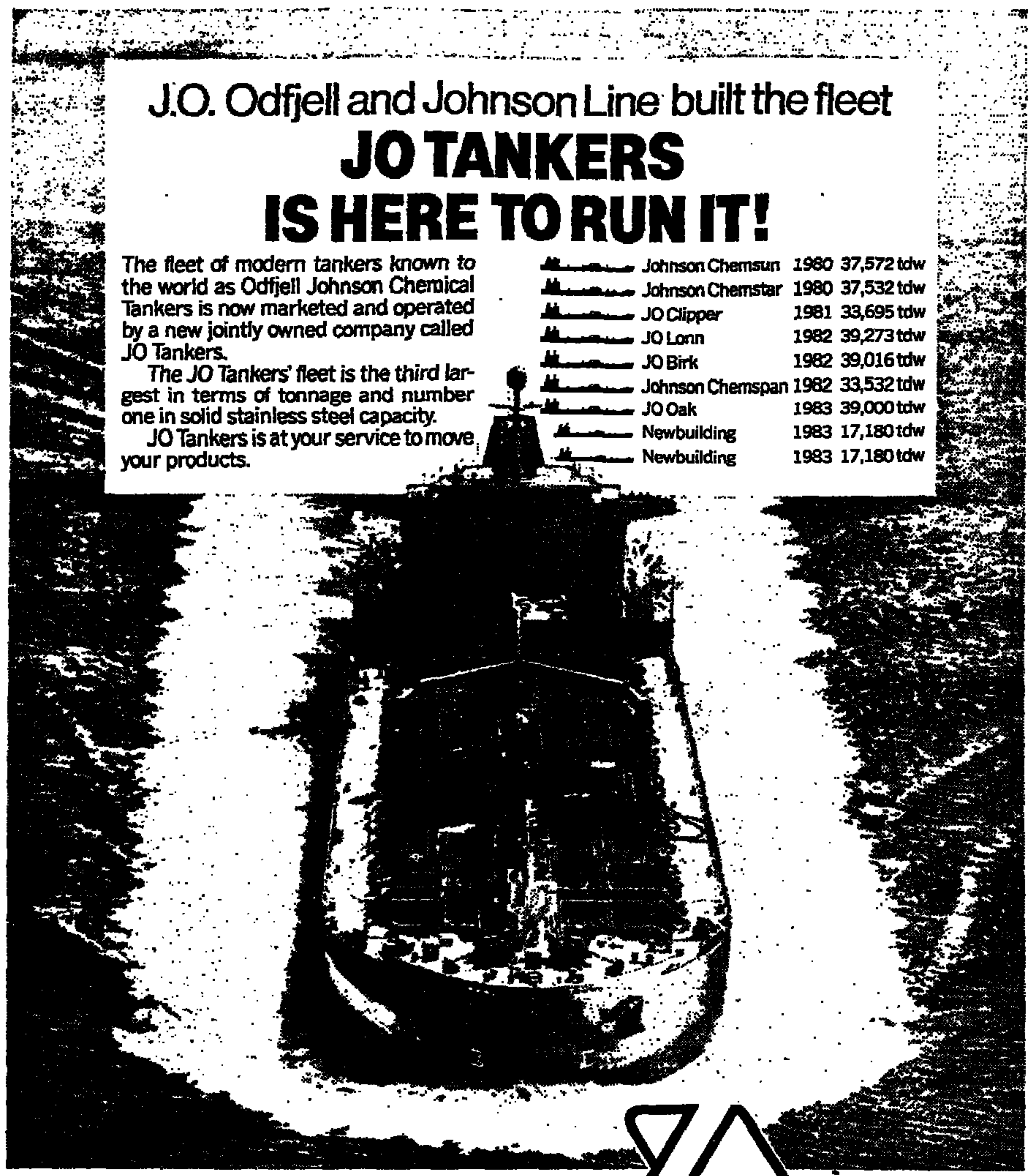
The Oseberg Field will most probably be supplied from a new base to be constructed by Norsk Hydro on Mongstad, 40 kms north of Bergen. The supply base would be located on land close to the Mongstad refinery—jointly owned by Hydro (30 per cent) and Statoil (70 per cent)—which is also the site for a crude oil tanker terminal proposed by Statoil.

Hydro has applied for Government permission to develop the base at Mongstad and hopes to begin construction next year, with operations beginning in 1986.

J.O. Odfjell and Johnson Line built the fleet
JO TANKERS
IS HERE TO RUN IT!

The fleet of modern tankers known to the world as Odfjell Johnson Chemical Tankers is now marketed and operated by a new jointly owned company called JO Tankers.
The JO Tankers' fleet is the third largest in terms of tonnage and number one in solid stainless steel capacity.
JO Tankers is at your service to move your products.

Johnson Chemsun	1980	37,572 tdw
Johnson Chemstar	1980	37,532 tdw
JO Clipper	1981	33,695 tdw
JO Lonn	1982	39,273 tdw
JO Birk	1982	39,016 tdw
Johnson Chemspan	1982	33,532 tdw
JO Oak	1983	39,000 tdw
Newbuilding	1983	17,180 tdw
Newbuilding	1983	17,180 tdw



JO TANKERS

Bergen Phone: (05) 227750 Telex: 42958
New York Phone: 212 247-8382 Telex: WU 649390 425829
Houston Phone: 713 671-2572 Telex: 790997 domestic 910881 7296 twx 903930 ih
Tokyo Exclusive Agent: Aall & Co., Ltd Phone: 503-4511 Telex: 22859—22942—22469

Catering Port Services Travel Agency Flesland Forwarding Liner Agency Transport Agotnes Car Rental

Your requirements for external services can probably be met by your own personnel – using your time and resources. Or you can choose to make use of a quality-conscious and professional service organization such as

Bergenske Services

We have made your secondary interests into our primary interest. Our organization can set your time, capital and personnel free for more important work, for your organization.

We are there where you need us

PROGRESSIVE ENTERPRISES CHOOSE A PROFESSIONAL SERVICE AGENCY

Address: Dokkeskjærskaien, P.O.BOX 2683, N-5010 Mehlenpris. Opening hours: 08.00 a.m.–16.00 p.m., Monday–Friday. Telephone: (47 5) 32 00 00, after office hours: (47 5) 22 71 00. Telex: 42753.

General Insurance
Life & Pension
Reinsurance

VESTA HYGEA

FORSIKRINGSAKTIESELSKAPET VESTA HYGEA LIVSFORSIKRINGSSELSKAPET

VESTA HYGEA

Head Office in Bergen: P.O.B. 3540, N-5033 Fyllingsdalen, Norway
Switchboard: 47 5 17 10 00 – Telex: 42 030
Branch office in Oslo: P.O.B. 10, Økern, Oslo 5, Norway
Switchboard: 47 2 63 50 50 – Telex: 71 037

Financing

NEVI

Head Office in Bergen: P.O.B. 3542, N-5033 Fyllingsdalen, Norway
Switchboard: 47 5 17 10 35 – Telex: 40 505

Hostile North Sea conditions will mean greater demands on research and development

Testing time for technological skills

R and D

THE NORWEGIAN Continental shelf is the largest in Europe with depths ranging down to more than 2,000 metres, particularly off northern Norway where the toughest environmental conditions also prevail.

The exploitation of oil and gas resources in the relatively shallow but still hostile environment of the North Sea has already taxed the technological skills of the international oil industry to the limit. New demands are being made, however, as the search for hydrocarbons moves further north, and new technological solutions will be required if oil and gas deposits already discovered in deep waters off the Norwegian coast are to be exploited in coming years.

With important maritime production, engineering and research *facilities plus a major* university located in the city, Bergen is well-placed to play a significant role in the development of new equipment and systems for the offshore oil industry.

Apart from its established educational and research *resources*, however, the geography of the surrounding area means that the city offers too virtually unrivalled facilities specifically for the development of underwater *technology*. The deep, sheltered waters of the surrounding fjords offer depths of more than 1,200 metres with ideal conditions for all kinds of simulations and tests of both equipment and personnel.

At the same time, in deep waters little more than 100 kms north-west of Bergen, gas has been struck in what is firmly believed to be the biggest offshore find in Europe and the biggest gas discovery since Groningen in Holland.

It is early days yet, but it is already clear that the Troll Field with water depths ranging from 300 to 350 metres—in contrast for instance the Statfjord Field lies below water depths of about 150 metres—will demand fresh advances in technology if it is to be developed successfully in the years to the end of the century.

With reserves in the whole Troll area estimated speculatively at as much as 1.9bn cubic metres, *making it eight to nine* times larger than the North Sea *Frigg Field, the find appears* to be big enough to support a technological research and development effort on a massive scale, and it would be natural for Bergen to become a *focal* point in such a programme.

Important research and education *facilities* in the city which have received fresh impulse from the development of offshore oil and gas include Bergen University, the Norwegian School of Economics and Business Administration—the only one of its kind in Norway—the Christian Michelsen Institute with its Department of Science and Technology, the Institute *of* Industrial Economics, the Bergen College of Engineering, and the Ocean Research Institute.

The colleges and centres of higher education have an important part to play in widening and deepening the pool of human resources available in Bergen ensuring a steady stream of well-qualified graduates *to the local labour market.* Activities in the city are also being enhanced by Norsk Hydro's decision to base most of its petroleum research in Bergen.

It was natural for the University to develop special North Sea studies. Generations of research workers have collected data on weather and wind, currents and temperatures, fish and pollution, seabed conditions, earthquakes and resources on and beneath the seabed. At an early stage one of the challenges of the North Sea was met with special courses in petroleum geology.

Bergen's *speciality, however,* is rapidly becoming the field of underwater technology supported by growing research into petroleum economics.

According to Norsk Hydro: "Several large companies have set up their research organisations in Bergen, evidently because it is hoped to benefit from the research environment that is created in this way, and also because of the opportunity of co-operating with established institutions.

"Much of the research done in Bergen is applied research and it is therefore a great advantage that the users of petroleum technology are establishing themselves in the area in such strength."

Growth of oil industry research

CMI

THE POTENTIAL for the research institutes to act as a *catalyst for local industry* has been shown on several occasions already by one of the *oldest* in Bergen, the Christian Michelsen Institute (CMI). Whereas NUTEC clearly owes its existence to the development of the oil industry, CMI was started *from funds generated from* the city's traditional source of wealth, the shipping industry.

It was established in 1930 with finance provided by one of Bergen's most illustrious sons, Christian Michelsen, the *shipowner* and politician, who was also Norway's Prime Minister in 1905, when the country *finally gained* its independence from Sweden.

Under its current director, Reidar Kuvaas, CMI is adopting a "very practical orientation" as well as carrying out basic research. It now has a growing number of connections with industry and relies increasingly on contract research as a source of funds.

Traditionally, the institute has played an important role *in applying scientific methods* to practical problems in areas such as shipping, oceanographic and meteorological instrumentation and medical physics.

CMI's department of science and technology currently is involved in *activities ranging across wave* and current measurement; multi - component flow measurement; remote-sensing data processing; powder technology; dust and gas explosions; CAD-CAM and microprocessor applications; and petroleum economics.

As recently as six to seven years ago the institute had virtually no oil industry-orientated research, but this area now accounts for about half of its work, says Mr Kuvaas, and its share is still growing.

"The danger in a small country is that you spend all your time studying only what people are doing abroad. You have to be very systematic. We will have certain specialities in the offshore area and in electronics where we are competitive at a world level."

One of CMI's biggest current projects is a NKr 50m, five-year programme of research into gas explosions. The project is being financed by six oil companies, BP, Elf Aquitaine, Esso, Mobil, Statoil and Norsk Hydro. The programme's overall objective is to increase safety during the production, transport and treatment of gas.

Specifically, CMI hopes to find out how fast a given gas cloud will burn and what the *explosion pressures will be.* The project includes pilot and full-scale explosion studies and computer simulations. Much of the work will be done at a specially equipped *test* site on an island near Bergen.

Influence on design

The results of such research work could well influence the future design of *offshore* platforms and other facilities where *combustible* gas clouds can collect. According to CMI, good design could reduce the danger of substantial flame acceleration and thus reduce the pressure and the damaging effects of an explosion.

The measurement of oil and *gas flow in pipelines is* another area where CMI is specialising, with the development of systems for very accurate and highly sensitive measurement of the flow rates of several components through a pipeline. Prototype systems are already in production.

The use *of satellite-borne* instrumentation for the mapping of the oceans and ocean resources is still in its infancy, but Norway and several other European countries are likely to use such systems widely for monitoring the huge maritime economic zone lying to the north and the west.

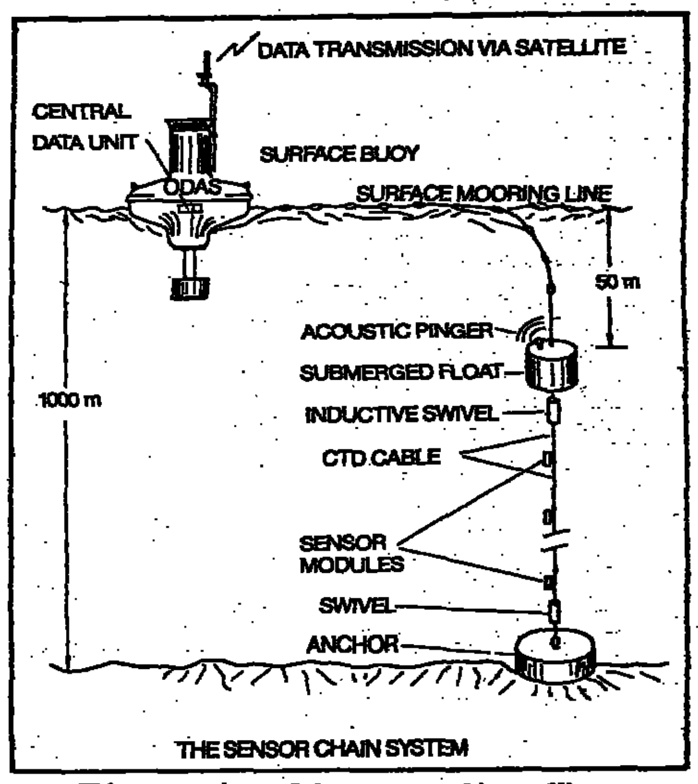
In this field CMI has been involved in the development of sensors and sensor platforms, such as moored or drifting *buoys*, since the early 1960s. A number of the institute's designs have been produced industrially and have become standards in oceanographic instrumentation.

The institute maintains active research and development programmes on buoy design, mooring systems, sensor technology and data gathering and transmission techniques.

Information on underwater and surface currents is vital when drilling rigs and platforms, subsea oil wells or docks and quays are being designed.

Work at the institute has included the development of self-contained Iceberg Data *Collection Stations, which can* be deposited by helicopter and which are currently deployed at several locations in the Antarctic. Data are transmitted via satellite to a ground station. Similarly compact meteorological stations have been developed for use *in the Arctic*, where they can be dropped on *to* the ice by parachute.

At present CMI is pushing strongly the development of a so-called sensor chain for profiling the ocean. It consists of a number of lightweight sensor modules which can be clamped *to* a combined mooring and data line at any combination of depths. Processed data are transmitted from a buoy on the ocean surface in real-time to a satellite in polar orbit for relay to a ground station.



This system is used in oceanographic profiling.

Underwater research is now world-renowned

NUTEC

THE NORWEGIAN Underwater Institute was established at Gradval, near Bergen, in 1976 by the Royal Norwegian Council for Scientific and Industrial Research (NTNF), the main state body for funding research work, and Det norske Veritas, the world-renowned marine classification and certification institution. The institute has rapidly become one of the world's most advanced diving and diving medicine research centres.

With the increasing rate of development on the Norwegian continental shelf it soon became clear, however, that this first effort to create a national expertise in underwater technology would have to be expanded beyond the institute's existing scope. In 1981 the institute was re-formed into the Norwegian Underwater Technology Centre (NUTEC) with participation from the three main Norwegian oil companies, Statoil, Norsk Hydro and Saga Petroleum.

The financial participation of the oil companies was particularly important in allowing NUTEC to embark on an ambitious investment programme to create a test site that will help the industry cope with deeper waters and the sophisticated heavy equipment that *will* be required for the next phase of offshore activity on both the Norwegian and other continental shelf areas.

As its investment programme —NKr 140m has already been spent and a further NKr 50-60m is needed—is completed NUTEC will be in a position to provide some of the most advanced facilities and expertise in the world for testing subsea equipment and integrated systems. In addition NUTEC is being built up as a national centre in the fields of diving techniques and hyperbaric medicine and physiology.

Mr Jan Andersen, NUTEC's managing director, says: "Much of our work represents the technology and the problems of the 1990s, but it is important to start thinking now." The centre is not very heavily booked as yet for 1983. "It takes time to get large-scale projects going, but we are currently discussing many plans for 1984-85." Oil companies in the forefront of such discussions include Statoil, Total, BP and Elf.

At the heart of NUTEC's research and development facilities is a hyperbaric chamber complex, with two living chambers able to accommodate up to eight divers, a transfer chamber with sanitary facilities and one large chamber for wet diving or technical testing. The complex allows saturation diving to simulated depths of 500 metres and excursion diving to 650 metres.

NUTEC's activities are divided into four main departments: Medicine, Underwater technology, Operations (such as construction, installation and inspection) and Maritime Operations.

Knowledge on divers

The centre's Department of Hyperbaric Medicine and Physiology is aiming to improve knowledge about the physiological and psychological aspects of exposing divers to extreme pressures for prolonged periods of time, aspects which are of vital importance as diving activity extends to greater and greater depths.

As part of the programme of experimental simulated dives—"Deep Ex"—NUTEC has carried out a simulated dive to about 500 metres lasting 34 days. Fifteen different research projects were conducted during the trial including the deepest lock-out (in-water exposure) at 504 metres, the longest continuous exposure in cold water at extreme pressure—182 minutes—and the world's deepest manned welding.

The primary research programmes of the medical group include investigations of: long-*term effects of diving on the* body; physiological and biochemical effects of gases at pressure; thermal problems in diving; compression decompression procedures; emergencies in underwater operations; gas supply systems and life support systems.

Increasingly NUTEC will be able to draw together research resources developing in the Bergen area, and medical pro*grammes are already conducted* for example in co-operation with doctors from the Norwegian Navy School of Diving, which is also based in Bergen, and the University Hospital. Plans for the future include equipping the large test chamber as an operating theatre and the development of facilities for relatively complex surgery on injured divers who have been transferred to the centre under pressure.

Much remains to be done to draw together the various research resources that are being developed in Bergen, but there are already signs of such co-operation bearing fruit. The combined resources of NUTEC and the microprocessor group at the Chr Michelsen Institute for instance have *made* considerable progress towards developing a much improved "speech unscrambler" for saturation divers, whose speech becomes almost unintelligible when they are breathing a mixture based on helium necessary for working at great depths.

Maritime facilities at NUTEC include a specially fitted barge — "NUTEC Fjordbase" — and a tethered submersible, a cable-fed subsea vehicle designed to carry two people in a one-atmosphere chamber.

Installed on the seabed in 30 metres of water only 100 metres off the NUTEC quay is a large *platform designed* as a permanent subsea test site. The platform is linked to an onshore laboratory for the monitoring and recording of test data. At *about* the same depth a steel jacket and a section of 36-inch steel and concrete pipeline have also been installed to provide realistic conditions for training *divers* and underwater vehicle pilots.

GEARBULK LTD.

— OPEN HATCH, GANTRY CRANED BULKCARRIERS WITH BOX SHAPED HOLDS

— FLOATING TERMINALS/FACTORY VESSELS

— TRANSPORTATION AND HANDLING OF DRYBULK AND UNITISED CARGOES

— WORLDWIDE OPERATION/SERVICES

BOHMERGT. 44, P.O. BOX 2457,
5012 BERGEN, NORWAY.
TEL: (475) 29 49 70 TX: 42532.

YOUR TRADING PARTNER IN NORWAY?

We are a small but well established company in Bergen acting as Confirming House, Merchants and Managing Agents.

We would be *interested in establishing* new business connections with importers and exporters in any country for the purpose of developing trade in either direction.

Our main activity is that of confirming business where we, on our own account, handle imports and exports mainly in consumer related articles. We are also *doing some agency business* mainly in sports goods. Traditionally we are fish merchants in the West African stockfish trade. In our capacity as managing agents and in co-operation with some Norwegian importers with whom we already work on the confirming side, we are in the course of *building up local retail trade in* the Bergen area.

If this may be of interest to you, or if you are *interested simply in* our confirming business services for your already established clients or suppliers in Norway, then *please contact*

WEST COAST TRADING CO. A/S

Gustav Mohn
WEST COAST
TRADING CO. A/S
P.O. BOX 64, N-5001 Bergen
Telephone 5-317970
Telex 42020 (jorfa)

TOTAL MARINE NORSK A.S

TOTAL

has established its
Exploration Department
in Bergen
Lars Hillesgt. 30
P.O.Box 4317 – N-5013 Nygårdstangen

STAR SHIPPING AS

STAR presently operates a fleet of 34 open hatch and conventional bulkcarriers, totalling 1,1 mill dwt.

We specialize in worldwide transport of:

- **FORESTRY PRODUCTS**
Tailormade vessels and cargo equipment for unitized pulp, paper, lumber and plywood.
North America to Europe
North & South America to Far East.
- **CONTAINERS**
Independent non-conference services.
Far East and Europe to North America
with simple tariffs and competitive freight rates.
- **BULK CARGOES**
Worldwide, but mainly between North America, Australia, The Far East and Europe.

OFFICES IN:
Bergen - New York - Savannah - Mobile, Ala. - Houston - San Francisco - Portland, Ore. - Seattle - Long Beach, Calif. - Vancouver, B.C - Tokyo - Sydney - Livorno.

STAR SHIPPING AS
STRANDGATEN 17, P.O.BOX 1088, N-5001 BERGEN, NORWAY
TELEPHONE (05) 32 70 00 · TELEX 42770 sship n

Coast Center Base steadily expands

Offshore suppliers

COAST CENTER BASE (CCB), the second major onshore base built to serve Norway's offshore petroleum industry, celebrates its 10th birthday this year.

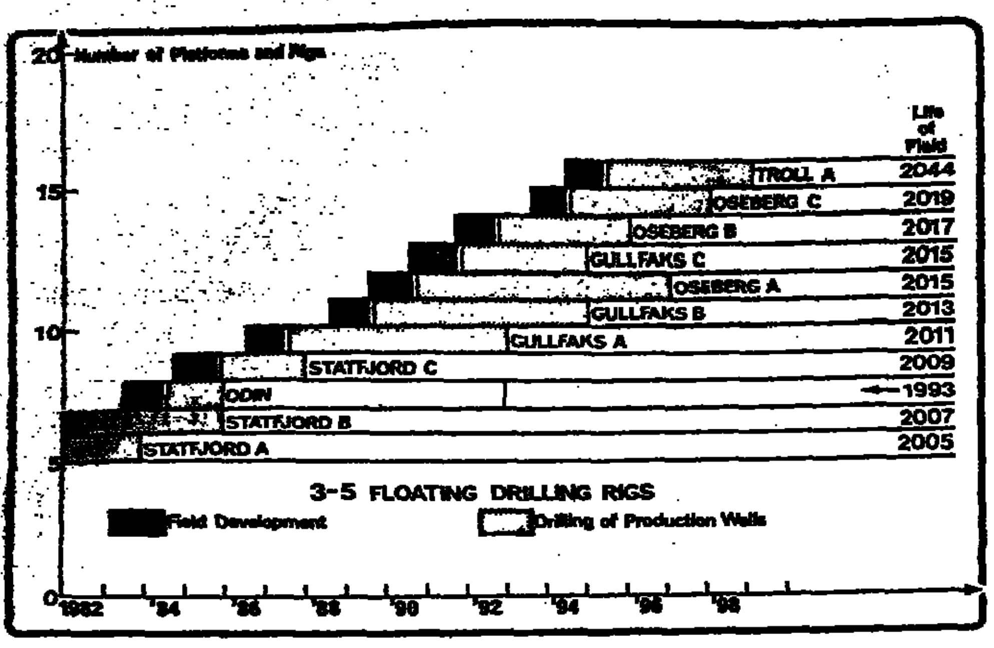
Owned by Statoil, the Norwegian state oil company (50 per cent), Bergen Bank (25 per cent) and the Bergen-based industrial group, Elektro-Union (25 per cent), it was established at Aagotnes, on an island outside Bergen, to serve activities in the northern part of the North Sea.

The fields in these waters are far from Stavanger, where the first such base was built. As exploration moved further north, and promising discoveries were made, the need for an integrated base in the Bergen area became apparent.

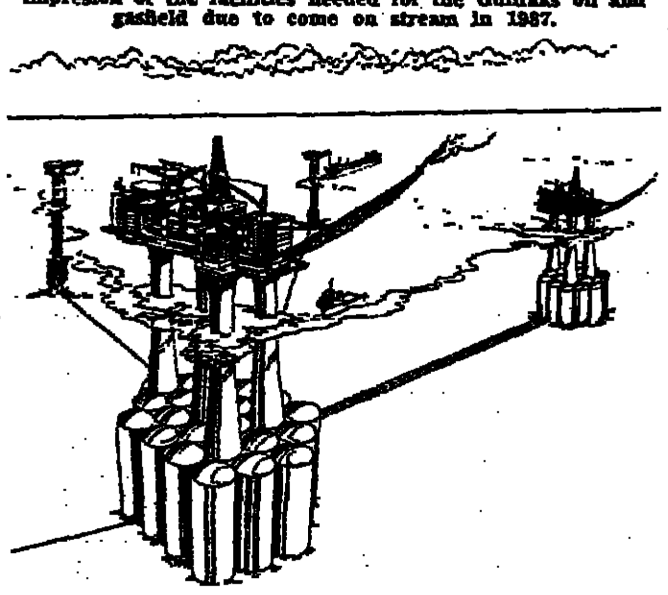
CCB has been expanding steadily, ever since it started. This year will see an extra spurt in its growth, however, as additional facilities are provided to meet the needs of the Gullfaks and Odin projects.

Gullfaks is a large oil and gas field, near the Anglo-Norwegian Statfjord field, due to come on stream in 1987. Odin, scheduled to start production next year, is a small gas field almost due west of Bergen which will export its output via the Anglo-Norwegian Frigg field.

Knut Aas, CCB's manager, sees the next 10 to 15 years as a particularly busy and promising period. To date, the base has mainly served the Statfjord field. Mobil, operator on Statfjord, has been an important customer, as have Statoil, Norsk Hydro and Shell—who have used it in connection with their exploration activities in the northern North Sea. They have now been joined by Esso, operator on Odin.



Provisional timetable of development and production of major oil and gasfields offshore Bergen. Below: artist's impression of the facilities needed for the Gullfaks oil and gasfield due to come on stream in 1987.



Longer-term use

In the somewhat longer term, the base may also serve fields, like Oseberg and Troll, whose development is still in the planning stage. This would mean yet further enlargement, but CCB's site, adjacent, on its landward side, to large undeveloped areas earmarked by local authorities for industrial development, allows for considerable expansion.

The investments being made this year, totalling around NKr 60m, will provide more external storage space, a new warehouse and office, and a laboratory for analysing "cores" of rock and soil taken from the seabed during exploration drilling.

When the new facilities are completed, some time in the autumn, the base will have 6,000 square metres of office space, 40,000 square metres of warehouses and repair shops and 200,000 square metres of outdoor storage. Quay space totals 650 metres, 100 metres of which can accommodate deep draught vessels.

CCB's own staff at the base, numbering about 200, are responsible for its administration, co-ordination of harbour activities and cargo handling, provision of some technical services and of a wide range of supplies, from stocks kept at the base.

In addition, some 40 specialist companies, employing an additional 200 people, have rented accommodation there. The services they offer the oil companies include stocking and operation of offshore tools and equipment, mud and cement supply, consultancy, testing and inspection, ship chandler and catering.

The list is a long one, and is constantly growing, to meet new customer requirements. The core analysis laboratory being built this year, for instance, will provide a service hitherto not available at CCB. It will be operated by a U.S. firm, Corelab.

Other, general facilities at the base include a petrol station, post office, travel agency, bank, canteen (accommodating 200), guest house and a welfare centre for seamen. Security is taken care of under a system in which all CCB lessees participate. It operates 24 hours a day, throughout the year. At nights and week-ends the guard—provided by a well-known security firm—is doubled, with one manning the base gate house and answering CCB's switchboard, while the rest of the base and the harbour is patrolled by the other.

This latter can also handle incoming ships and help with clearance, documentation, water and fuel supplies. When necessary, the guard can call in other CCB service personnel.

The technical services provided by CCB's workshops already include machining, plate work and welding, cleaning, sandblasting and painting. Manager Aas believes, however, that there is scope for further development here.

"We do not intend to compete with established yards," he says. "Instead, we will concentrate on providing mechanical engineering services and possibly do some small-scale steel construction work."

Asked if this meant that the base might enter the crowded competition to secure offshore module contracts, Aas replied: "Probably not. We will try to find a market segment not already covered by existing fabricators and the heavy engineering industry."

He appears to feel, nevertheless, that the base's spacious and well-equipped workshops are under-used at present. They have machines and personnel able to do high quality welding, threading of casings, drill strings and tools, and corrosion protection of welded constructions.

Supply ships

It is convenient for the oil companies, he points out, if the supply ships using CCB can leave casings and other offshore equipment for repair. Some 1,750 supply ships and other vessels called there last year. Their turnaround was facilitated by specially built wharfs, with buried lines for the supply of drilling mud, cement, water and fuel. The deep water quay, being blasted out of solid rock, has no weight limitations. Cargo handling equipment comprises mobile cranes with lift capacity of up to 200 tonnes, forklift trucks, semitrailers and a mafi tow-loader/tractor system. A skilled labour force normally works a regular two-shift system and, during emergencies, can work around the clock.

Both the harbour and its approaches, though sheltered, are ice free all year. The normal tidal range is about a metre.

Aagotnes was chosen as the base site because of its strategic location—easily reached from the sea, but at the same time only about 40 minutes' drive from the city of Bergen and from Bergen's airport, Flesland.

Complementing its activities at Aagotnes, CCB maintains forwarding offices both at the airport and in the centre of Bergen. As a forwarding agent the company has acquired expertise in documentation, custom tariff classification and clearance for the import and export of oil industry equipment. It provides an express trucking service between Bergen, Aagotnes and Stavanger.

Its office at Flesland Airport specialises in managing offshore crew changes, arranges shipment of domestic and international air cargo, and will charter aircraft. At the base itself there is a helicopter landing pad—seldom used—which can substitute for Flesland Heliport in an emergency.

Fay Gjester

The headquarters of Coast Center Base is at Aagotnes, Sotra, Bergen.

CHR. MICHELSEN INSTITUTE

- AN OFFSHORE-ORIENTED INDUSTRIAL RESEARCH CENTRE

CMI industrial research helps industry
- anticipate the challenges of the offshore sector
- exploit the potential of CAD/CAM and microelectronics
- meet today's tough environmental and safety standards
- make rational macroeconomic decisions

CMI industrial research combines
- clarity in defining problems
- imagination in proposing solutions
- innovation in equipment and techniques
- quality in design and construction

CMI industrial research advances
- industrial and offshore flow measurement
- oceanographic and meteorological instrumentation
- systems analysis and natural resources economics
- powder technology; dust and gas explosions
- CAD/CAM and microprocessor applications
- precision engineering design and construction
- research rocket payload integration
- remote sensing data processing

CMI industrial research: for more details contact

Chr. Michelsen Institute
Dept. of Science and Technology
N-5036 Fantoft - Bergen, Norway
Tel: + 47 5 28 44 10 - Telex: 40006 CMI N

CHR. MICHELSEN INSTITUTE

Norges Skibshypotek A/S

Ship finance

BERGEN - NORWAY

Tel: (05) 28 32 25 - 28 35 28
Telex: 40071 - skphy n
Conrad Mohrs veg 29
P.O.B. 38 - N-5032 Minde - Norway

Bergens Tidende

— the dominant newspaper of Western Norway, is engaged in the economic and industrial development which has taken place in this part of the country as a result of the increasing oil activities.

Consequently, the newspaper has established a staff of journalists who, on a day to day basis, monitor all that is happening in the fields of oil, industry and industrial affairs, labour relations, shipping, currency, bank and stock exchange, as well as the strictly local industrial life.

Bergens Tidende is the largest newspaper outside Oslo, and the second largest advertising medium in Norway.

Bergens Tidende is read daily by 81% of all people of Bergen, and by the total of more than 260.000 adults in Western Norway, the second largest market in Norway.

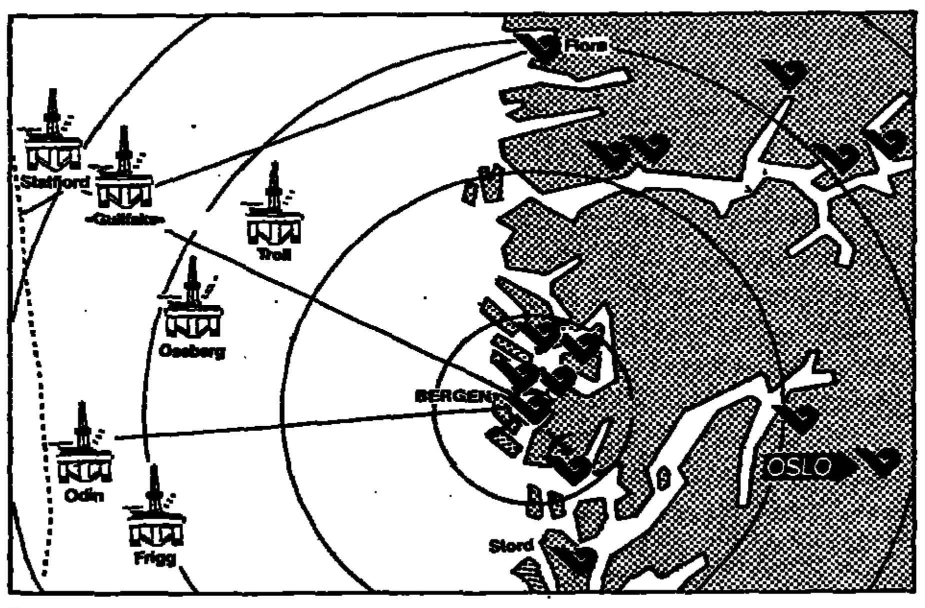
Daily circulation: 92.092. (IFM 1979/80).

Bergens Tidende is the largest newspaper outside Oslo, and the second largest advertising medium in Norway.
Bergens Tidende is read daily by 81% of all people of Bergen, and by the total of more than 262.000 adults in Western Norway, the second largest market in Norway.
(IFM Mediaindeks 1979/80).

Headoffice:
Nygårdsgaten 5—11, Postbox 875
N-5001 Bergen. Telex 42026,
Postgiro 689 97,
Bankgiro 5205.06.00407.
Cable adress: »Tidende«.
Telephone (05) 32 78 40

Representatives abroad:
LONDON: Joshua B. Powers Ltd. 46 Keyes House, Dolphin Square, London SW1V 3 NA.
PARIS: Société William Bert, 142 Av. des Champs-Elysees, Paris 8.
SCHAFFHAUSEN, SWITZERLAND: AVAP Hanspeter IFF, Brauereistrasse 1 CH. 8200 Schaffhausen.
KØBENHAVN: SMB Pilestræde 8 1112 København K.
HAMBURG: Publicitas GmbH 2000 Hamburg 60, Bebelallee 149.
SINGAPORE: Mike Sebastian Associates 5 Stadium Walk, Singapore 1439.

Vestlandsbanken
- the regional bank for Bergen and West Norway



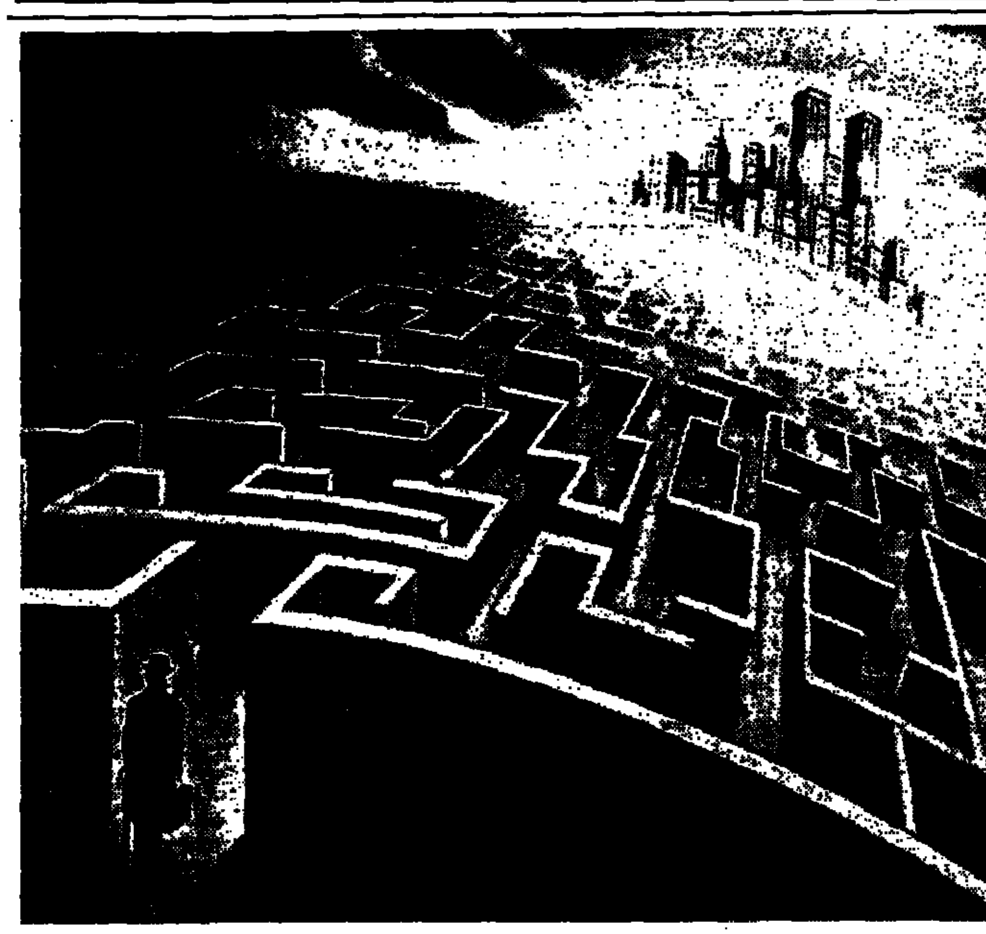
Vestlandsbanken has 55 years of banking experience, and is the leading regional commercial bank in this area. Our head office is in Bergen. With 37 branches throughout the area Vestlandsbanken plays an active role in foreign trade and has close business relationships with Norwegian industry, shipping and petroleum based activities.

Our international department can handle all international banking transactions.

Our special knowledge regarding local conditions can be an important advantage to our clients. Our specialists will take care of you promptly and efficiently.

VESTLANDSBANKEN

Rådstuplass 2/3 - P.O.Box 1162 - N-5001 Bergen, Norway - Tel. + 47 5 31 06 80 - Telex: 42045 vbbgn n



WELCOME TO NORWAY

When establishing a business in a foreign country, you will need someone to guide you through the inevitable labyrinth of laws and restrictions of that country. Norway, of course, has some particularities worth knowing, especially with reference to the oil and gas activities in the North Sea.

As a leading Norwegian commercial bank with an extensive network og branches and offices all over the country, we are in an exceptionally, good position to provide you with all the necessary assistance, by way of information and advice, to facilitate your entering the Norwegian market.

Should you be interested in a further presentation of what Christiania Bank can do for you, please contact our Foreign Relations Department, either by letter or by telephoning 475 32 77 70.
Postal address: P.O.B. 46,
N-5001 Bergen, Norway.

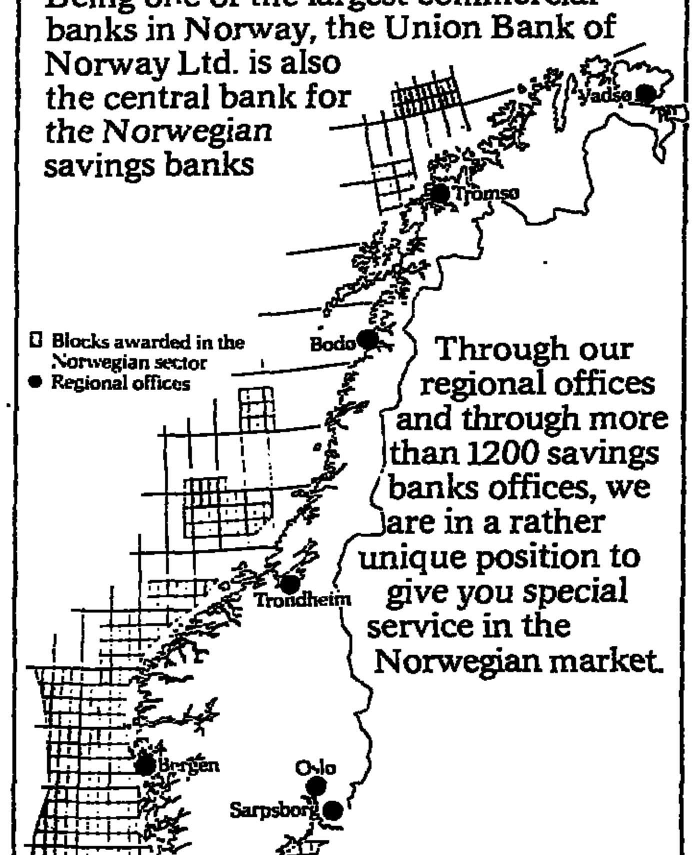
CHRISTIANIA BANK
CHRISTIANIA BANK OG KREDITKASSE

Hong Kong – Houston – London – Luxembourg – New York – Paris – Sao Paulo – Singapore – Stockholm – Zürich.

Norway means business.

A unique position in Norwegian banking.

Being one of the largest commercial banks in Norway, the Union Bank of Norway Ltd. is also the central bank for the Norwegian savings banks



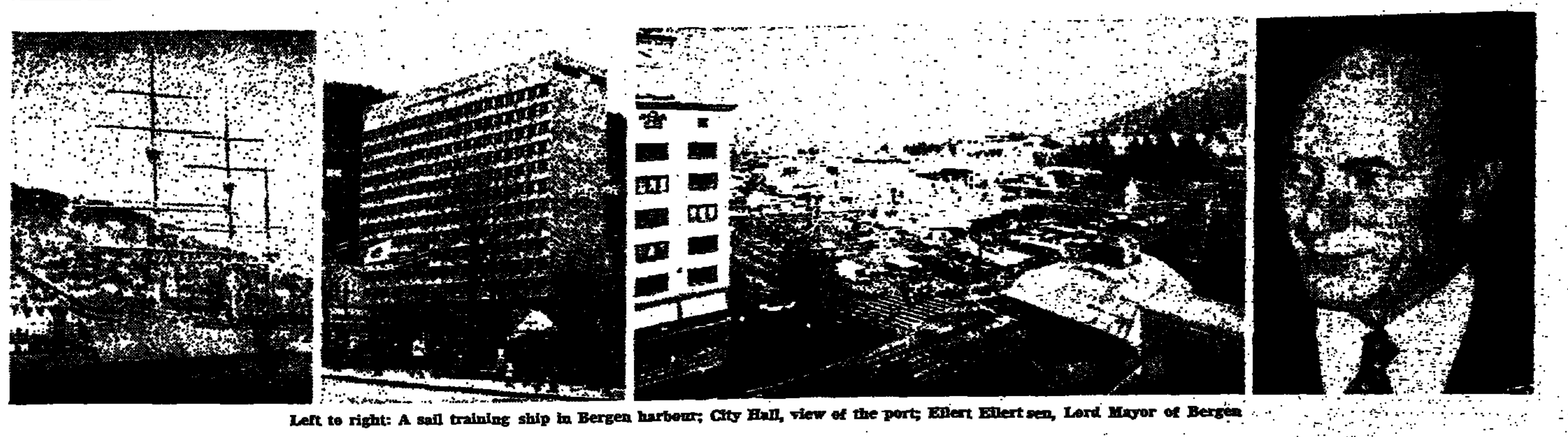
Through our regional offices and through more than 1200 savings banks offices, we are in a rather unique position to give you special service in the Norwegian market.

Union Bank of Norway Ltd.

Head Office:
Oslo – Kirkegt. 14/18, P.O. Box 1172 Sentrum, Oslo 1.

Regional Office:
Bergen – Torgalmenning 4, 5000 Bergen.

BERGEN VIII



Left to right: A sail training ship in Bergen harbour; City Hall, view of the port; Eilert Eilertsen, Lord Mayor of Bergen

A modern port, international airport and rail links provide a focal point for Western Norway

City's lifeline stretches across the sea

Communications

BERGEN is the focal point in the transport network of western Norway with a modern port, an international airport and a direct rail link to Oslo and east Norway.

Until comparatively recent times difficult communications within Norway have meant that the trading centre of Bergen has looked more to the UK and Continental Europe than to eastern Norway to develop its commercial links, however. Even today the city is still hampered by relatively poor road communications with the rest of the country.

The city's lifeline has always stretched across the sea. Its early pre-eminence as the most important trading centre in Scandinavia derived from its role as the main export outlet for the dried fish produced in the coastal districts and islands further north.

About 9 per cent of Norway's foreign trade still passes through Bergen with the products of the mechanical engineering, shipbuilding, chemicals, textiles, metals and electronics industries playing the main part.

Bergen's status as an international port has undoubtedly declined during the last century, however, and particularly in the last 30 years its position on major shipping routes has diminished.

Substantial investment programmes are now either under way or are planned to improve Bergen's communication links, including the expansion of the existing port and the building of new quays close to the airport, the construction of a new passenger terminal at the airport, and the completion of new roads which would provide the first ferry-free, all-weather highway link to Oslo and east Norway.

Until as late as 1909 when the Oslo-Bergen railway first surmounted the vast Hardanger mountain plateau, Bergen was virtually cut off from east Norway with the sea as its only communications route.

BY SEA

Bergen's port handles about 3m tonnes of cargo a year compared with 5m tonnes passing through Oslo. It is the busiest port in the country after Oslo, but the ships using the port tend to be smaller than those calling at Oslo with 40-50 per cent of the cargo unloaded in Bergen coming from ships of less than 500 gross registered tonnes.

In common with other Norwegian ports, Bergen has tended to lose trade in recent years to the major transit ports on the European continent, such as Rotterdam, Hamburg and, to some extent, Gothenburg. The number of ships calling at Bergen has fallen heavily to around 23,000 a year from as many as 40,000 in 1955-56 — partly due of course to the increased size of individual units — and Bergen has lost its place on a number of international cargo liner routes.

There are still more than 30 regular cargo lines serving about 65 ports in 19 countries — chiefly in West Europe, the Mediterranean and South America (Argentina, Brazil and Uruguay). Bergen, however, has lost its direct connections with North America, West Africa and the Far East with such trade now being transshipped through ports like Rotterdam and Hamburg.

Part of this erosion has undoubtedly been caused by the absence of any national ports policy in Norway, which has meant that the available trade has been spread too thinly over too many ports, making individual destinations less attractive for the big cargo lines. Mr Nils Standal, the port director, accepts that Bergen will never be able to attract the biggest containerships but he is hopeful of bringing more general cargo traffic to Bergen, with the port acting as a more central collecting point in Western Norway.

A government commission has proposed concentrating Norwegian cargo traffic on four national ports, Oslo, Bergen, Kristiansand and Trondheim, as one way of winning back more liner traffic with foreign ports, but it could take up to two years before the report comes up for consideration by the Norwegian Parliament.

The port is investing about NKr 50m over the next four years — a similar amount has been spent in the past four years — however, to expand and improve facilities and it is hopeful that the surge in offshore oil and gas devolpments will also boost its fortunes.

Cargo handling is being concentrated in one area — Dokken — in order to improve the port's efficiency and cut costs for users. More than 26 acres are now in use including the Jekteviken container terminal.

When development is completed the area will be virtually doubled to 50 acres. The harbour already has railway sidings with good facilities for ship to rail transfer. Apart from the modern container terminal equipped with a 50 tons heavy lift crane, the port also has roll-on/roll-off operations designed for a full 60-ton working axle load.

During summer months Bergen is also a major target for the cruise liners sailing to the fjords or to the North Cape and the land of the midnight sun. As many as 135 cruise ships are expected this year, including the QE2 and the Canberra — both missing last year because of their service as troop carriers in the Falklands War.

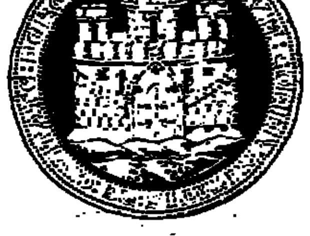
The future is rather more uncertain for Bergen's passenger ferry connections with abroad. For long runs by the Bergen Line — partly in co-operation with the Fred Olsen Line — the North Sea passenger ferry services are now being operated by DFDS, the troubled Danish line.

Bergen's all-year ferry link with Newcastle has been reduced to summer sailings only, while the previous service to Cuxhaven in northern Germany has been cut. Summer services also still run to Amsterdam, but DFDS has made it clear that it wishes to get out of its contract which expires after the end of the 1984 season.

The loss of the Newcastle service in particular would be a major blow to local civic pride and to the very strong connections that remain with the UK.

During the winter the Fred Olsen line has introduced a new passenger ferry service between Bergen and Hirtshals in northern Jutland and during the summer months a Faroese line provides a link between Bergen and Hanstholm in Jutland and Thorshaven in the Faroe Islands.

Domestically, Bergen remains the most important passenger terminal on the west coast. It is the starting point for the famous Hurtigruten coastal steamers which leave regularly for the far north of Norway and the exciting journey around the North Cape to Kirkene. Nearly 5m domestic passengers use the port every year, many using the increasing number of twin-hulled, high-speed ferry services along the coast and neighbouring fjords.



BY AIR

Bergen's Flesland airport, located about 19 km south of the city centre, is overdue for expansion. Developed during the 1950s partly with funds from Nato—the airport is still a stand-by Nato airbase—Flesland has failed to maintain facilities in line with the increasing demands both for normal passenger traffic and for helicopter communications with the North Sea.

The present terminal building was constructed with a capacity for handling 700,000 passengers a year, but last year 1.4m passengers used the airport. "It certainly gets crowded and hectic," admits the airport manager Mr Ottar Saeboe.

Relief is at hand with plans for the construction of a new NKr 150-180m passenger terminal capable of handling 2.2m passengers a year from both domestic and international flights. Construction is not scheduled to begin before late 1984, however, with completion during the autumn of 1986.

"There will be an explosive growth in offshore traffic during the late 1980s and the beginning of the 1990s," warns Mr Saeboe. To cope with this growth the airport authorities are planning to turn over the present terminal building to coping solely with helicopter traffic.

The number of passengers using the airport last year jumped by 14.2 per cent compared with a forecast of 4 per cent, and the build-up of offshore oil and gas activities during the next ten years will place increasingly heavy demands of Flesland's slender resources.

Airlines and freight companies are also building new facilities, however, with plans from SAS, the Scandinavian airline for a new freight building and a new hangar.

A helicopter base has also been planned for the airport, the second largest in Norway, to the west of the present runway, but this proposal has not yet been approved by the authorities in Oslo. About NKr 32m is already being invested in radar equipment for improved traffic control and this should give radar coverage of the entire North Sea west of Bergen including the Statfjord Field.

Flesland is the base for the transfer of all personnel by helicopter to Statfjord, the biggest oil field in the North Sea, which straddles the median line between the UK and Norwegian sectors.

The radar equipment will greatly increase the airport's aircraft handling capacity, dramatically cutting the time between each landing and take-off. "Our greatest problem now is the capacity of the terminal building, and we have to do something too about the handling of helicopters. We hope to have overcome both problems by 1986/87," says Mr Saeboe.

The runways at Flesland are large enough to handle all aircraft flying today, and during the summer Bergen does have a weekly direct connection with New York. SAS also runs direct flights to London Gatwick, Oslo, Copenhagen and Amsterdam, as well as to other domestic destinations in Norway.

Dan Air and Air UK also offer services to destinations in the UK such as Aberdeen and Newcastle, and the business community in Bergen is lobbying hard for a direct air link to West Germany.

BY ROAD

"Roads in western Norway are a fascinating experience for a good sportsman behind the wheel," says Mr Eilert Eilertsen, Bergen's mayor. Large sums are being invested in trying to make the experience a little less wearing on the nerves, but the geography of West Norway with towering mountains and deep fjords presents the road builders with a formidable challenge.

It is unlikely to be before the end of the 1980s that Bergen has a ferry-free route to Oslo and East Norway that will be open all the year round.

With the increasing move to the roads for both passenger and goods traffic Bergen's ability to act as a magnet for trade from its vast hinterland has been seriously diminished. It is no longer able to play the dominant role it could in the past when most trade went by sea.

"We depend on people coming into Bergen to do their shopping, banking and trading, bringing business from smaller places along the coast," says Mr Truls Lorentzen, a transport engineer with the Bergen city administration.

"Many of these places have now orientated themselves more towards Oslo and even Gothenburg, because they have better road links to the east than to Bergen."

At present the main road to Oslo involves a half-hour ferry crossing across the Hardanger Fjord between Kvandal and Kinsarvik. Then there is a choice of two roads, but the shortest across the plateau of the exposed Hardangervidda is closed from October to May.

The other road across the Haukeli Fjell is Bergen's only winter link to East Norway and the rest of Europe. "It is a very tough road with snow storms and a lot of wind," says Mr Lorentzen. "You have to queue in some of the tunnels for hours for the ploughs to clear the snow."

The road is being improved each year with new tunnels under construction but it is heavily used by trucks. In the summer drivers often face a wait of several hours in Kvandal before they get a place on the ferry across the Hardanger Fjord.

"In the winter you have to be equipped with blankets, food and hot drinks. Sometimes it is beautiful, like a fairy-tale," says Mr Lorentzen, "but you can be unlucky and be stuck in tunnels for hours and then it is cold and draughty and wet."

A new all-year route is being planned that would take traffic through Voss — Bergen's closest major skiing resort — and down to one of the arms of the Sognefjord at Flaam.

For this route to Oslo a new tunnel must be cut 11 km through the mountains and there is no funds for such a project in the Government's current four-year road-building plan to 1985. Bergen is setting great store by the hope that funds could be forthcoming in the next plan from 1986 to 1989.

Kevin Done

HORDALAND COUNTY

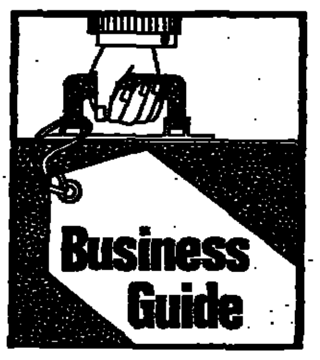
THE CLOSEST YOU GET TO MAJOR OFF-SHORE FIELDS

With 400,000 inhabitants including the city of Bergen, Hordaland County offers a wide choice of locations and services for local and foreign companies involved in the off-shore industry.

If you want to be part of the deep-water technology and the challenge necessary to make the large off-shore gas- and oil-fields operational, Hordaland County is the ideal base for your efforts.

For advice on planning permissions, locations, contact with local industry and finance, please contact the

Planning and Development Dept.
Hordaland County
C. Sundtsgt. 29
N-5000 Bergen



At home with the weather

The charm of Old Bergen.

COMMUNICATIONS: The city's Flesland airport is located about 20 km from the city centre. Connections are either by airport bus or taxi. Taxi fare about NKr 120. Most flights come via Oslo or Copenhagen, but SAS offers direct connections to London Gatwick, Amsterdam and New York (weekly during the summer). Other routes to the UK are offered by Dan Air and Air UK including Aberdeen, Manchester and Newcastle. There are daily train connections to Oslo—slow but scenic—road connections are difficult, especially in the winter. Passenger ferry connections to Denmark, and in the summer Newcastle and Amsterdam.

Accommodation: Problem of hotel accommodation has been eased considerably with the opening of two new hotels last year.

Main hotels: SAS Royal, centrally located by the harbour on the site of the old Hanseatic wharf, 540 beds. Prices: single room NKr 530-590. Tel. (05) 31 80 00. Hotel Norge, centrally located, close to main banks and shops, 498 beds. Prices: single room NKr 450. Tel. (05) 32 30 00. Esso Motor Hotel, located close to airport and new industrial estates, Kokstad and Sandsli, 15-20 minutes by taxi to city centre, 317 beds. Prices: NKr 345 plus NKr 45 for breakfast. Tel. (05) 22 71 50.

Climate: Bring an umbrella. If you don't like the weather, wait 10 minutes and it should have changed, is a piece of old Bergen wisdom. But it can be very wet—2.5 metres of rainfall in 1982.

Office hours: Most start early, any time from 7.30 am, but beware they can finish early too, especially in the summer. Local authority offices can close from 3.30 pm onwards. Lunch is taken any time from 11.00 am and is light, a couple of open sandwiches, fruit juice, mineral water, coffee.

Entertainment: Night clubs, discos close shortly after midnight. Several good restaurants including Bellvue—the best view in the city at night—a short taxi ride from centre. Tel. (05) 31 02 40; Amorini, tel. (05) 31 00 39; Bryggen Tracteursted, Tel. (05) 31 40 46. Licensing laws vary around the country, but generally spirits are not served before 3.00 pm and not at all on Sundays, when it is possible only to buy wine and beer. Closing time for spirits, 11.45 pm. Last week of May and first week of June the city is culturally at its liveliest with the Bergen International Festival. Performers this year include Houston Ballet, English Chamber Orchestra, Academy of St Martin-in-the-Fields, Trisha Brown Company, Martha Argerich, Teresa Berganza, Electric Phoenix. Grieg Hall, opened in May 1978, concert hall, centre of city's music life. The National Theatre (Den Nationale Scene) oldest theatre in Norway.

Tourist sites include the fish market everyday on the waterfront, Bryggen, old Hanseatic wharf, funicular railway to Mount Floyen from city centre, Cathedral, several museums, aquarium, Bergenhus former royal residence. Above all the old wooden houses clustered in the city centre and on the surrounding mountainsides. Trips to Hardanger Fjord and Sognefjord.

Handy phone numbers: Bergen Kommune, city authorities, (05) 21 36 00; Bergen Bank, (05) 28 44 07; Vestlandsbanken, (05) 31 06 80; Sparebanken Vest (05) 31 98 00; Bergen Tourist Board, (05) 31 38 60; Bergen port authority, (05) 21 97 80; SAS Airline (05) 31 09 50; Statoil, (05) 28 74 00; Norsk Hydro, (05) 31 28 10; Bergen Chamber of Commerce, (05) 31 65 23.

K.D.

WEST-NORWAY IS OUR MARKET

WITH 94 BRANCHES AND OFFICES AT YOUR SERVICE

FOREIGN DEPT.
P.O.B. 854, N-5001 Bergen
Phone: + 47 5 31 98 00*
Telegrams: Sparebanken
Telex: 42249 bspbk n
S.W.I.F.T.: BSPBNOBB

SPAREBANKEN VEST
A MAJOR BANK WITH LOCAL CHARACTER